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# West Europe Report

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2 April 1986

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ARMS CONTROL

FEDERAL REPUBLIC OF GERMANY

DREGGER: ZERO OPTION PRACTICAL ONLY ON A GLOBAL BASIS

Bonn DIE WELT in German 20 Feb 86 p 10

[Interview with Alfred Dregger, chairman of the CDU/CSU parliamentary fraction by Manfred Schell; date and place not given]

[Text] Alfred Dregger, the chairman of the CDU/CSU parliamentary fraction, has joined the debate concerning the planned American response to the Gorbachev proposals by issuing an urgent appeal. Only if all the Soviet medium-range systems are removed, Dregger told DIE WELT, could American medium-range systems be withdrawn from Western Europe. Dregger was interviewed by Manfred Schell.

[Question] There is a great deal of speculation with regard to the negotiating positions currently being considered in Washington for the East-West disarmament talks...

[Answer] There are no firm positions as yet; but they are coming up. For a country without nuclear weapons and located at the East-West interface in the heart of Europe like the FRG these are life-and-death questions.

[Question] Is a differentiated zero option being considered with regard to medium-range nuclear missiles ?

[Answer] If there is to be a zero option for medium-range nuclear missiles, it should be total and unlimited. If all the American Pershing 2s and cruise missiles are to be withdrawn, then all the comparable Soviet medium-range missiles must be removed as well. It would be unacceptable to grant them a privileged sanctuary in Eastern Siberia. The SS 20s are mobile. They could very quickly be moved from Eastern Siberia westward to new positions from which they could pose a threat to all of Europe.

Since the FRG has waived the right to possession of its own nuclear weapons and has assigned its nuclear protection on a trusteeship basis to the United States (which no one should forget), the FRG would be nuclear-free in a sense if the American Pershing 2s and cruise missiles were withdrawn but would in no way be free of the nuclear threat. On the contrary: the threat posed by Soviet nuclear weapons as a consequence of the absence of a counterweight would only grow larger.

[Question] From a military strategy point of view, what would the removal of all the Pershing 2s and cruise missiles mean to the FRG's security ?

[Answer] The presence of American nuclear weapons on German soil tells a Soviet Union bent on expansion that it would not only have to contend with German and other NATO forces on our territory but also with the United States, a world power, and all its military resources including nuclear weapons. That is best protection a medium-sized power in an exposed position could expect to have. At the same time, the stationing of American nuclear weapons on German soil means that the United States is pledging its own survival, its own cities in guaranteeing our security, since any war in Europe would inevitably spread to the United States.

The risk to the United States would be reduced if all the Pershing 2s and cruise missiles were withdrawn from German soil and the German risk would increase accordingly, since such a move would weaken the link between the American medium-range missiles and the strategic systems in the United States. This would be all the more serious for the FRG in view of the fact that France and Great Britain continue to refuse to station any nuclear weapons of theirs on German soil and to share the risk connected with such a policy.

In addition, there is the exceptional threat to the FRG in particular posed by the short-range and shorter-range medium-range Soviet systems (the SS 21s, 22s and 23s) where the Soviet Union enjoys a 7:1 advantage.

The bottom line would be that the FRG, which does not have nuclear weapons of its own like France or Great Britain, would be totally exposed to the threat potential of all the Soviet short-range systems as well as the SS 20 medium-range systems which could be moved westward from Eastern Siberia within a matter of days, if it were no longer protected by nuclear weapons stationed on its soil.

In my opinion, the American medium-range systems could only be withdrawn from Western Europe, if all Soviet medium-range systems would disappear. In addition, there is an urgent need to make short-range and shorter-range medium-range systems part of any solution in order to establish balance at a lower level.

[Question] What position do you think the other powers affected by a graduated zero option might take ?

[Answer] France and Great Britain will not accept any superpower dictate regarding the size of their nuclear arsenal. Japan, which is threatened by the medium-range missiles stationed in Eastern Siberia in particular but also non-nuclear nations of Western Europe such as Holland are unlikely to be enthusiastic about such a solution. All nations have a right to equal

security. The Soviet Union is neither politically, nor morally justified to exert pressure on its neighbors by means of an immense potential for their annihilation.

So the bottom line is: if there is to be a zero option, then it must be total, i.e. the short-range and medium-range systems must be scrapped altogether. The same applies to chemical weapons. The intercontinental strategic systems of the United States and the Soviet Union should be reduced to reasonable levels which might result in France and Great Britain agreeing on limitations on their own national nuclear arsenals. As part of a disarmament process, which we welcome in principle, the FRG and the other non-nuclear nations of Western Europe must not be transformed into a zone of diminished security. Due to their exposed position they must enjoy the same protection as their allies whose nuclear weapons are stationed are stationed on their soil.

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POLITICAL

DENMARK

## SECURITY POLICY, POLITICAL IMPACT FROM EC VOTE WEIGHED

### Impact on Security Policy

Copenhagen BERLINGSKE TIDENDE in Danish 26 Feb 86 p 12

[Article in "At Home" section: "EC and Danish Security Policy; Ask About EC"]

[Excerpts] Answers to Questions About EC

The two EC experts, Assistant Secretary, cand. polit. [graduate in political science or economics] Finn Østrup and Profess of EC Law, dr. jur. [Doctor of Laws] Claus Gulmann, reply today and tomorrow to the last questions readers have asked up to the referendum tomorrow, 27 February. "Ask About EC" will not accept more letters. Claus Gulmann answers today.

Michal Normann asks what meaning the EC package will have for Denmark's security policy.

The current foreign policy consensus between EC countries (the EPS consensus) was introduced at the beginning of the 1970's.

The consensus's basis up to now has been political agreements between the countries' foreign ministers.

The consensus's heart is regular discussions (consultations) between the foreign ministers regarding the most important of the foreign policy questions which the countries as a whole are confronting. To the extent that agreement can be reached, "the countries speak with a single voice."

For the future, the foreign policy consensus will receive its basis in formal treaty provisions which are legally binding. There have been only small changes in the subject matter of the consensus.

Securing of the basis for the consensus by a treaty demonstrates the countries' desire to emphasize the importance of the consensus. On the other hand, it is difficult to see the great practical importance of securing by means of a treaty.

Security policy questions have been discussed in recent years within the framework of the EPS consensus. This was the case, for example, with questions regarding the European security conference and arms reductions. This has been reflected in reports and declarations of recent years which underlie the consensus. Accordingly, it is stated in the Stuttgart Declaration of 1983 that the political and economic aspects of security can be discussed by the foreign ministers.

#### NATO As Forum

The increased interest in these questions in the EPS consensus has its background in the recognition of recent years that West Europe's freedom of action is caught between the political and military great powers. Politically speaking, West Europe has been weak in the face of the confrontation policy which the USA and USSR have conducted.

However, the EC package names NATO explicitly as a forum for a narrower security policy consensus. From a purely practical standpoint it can surely be described like this: that the defense ministers continue to meet in NATO only to discuss purely military questions, whereas the foreign ministers can discuss security policy in EPS, in NATO and elsewhere.

The package also contains a somewhat unclear stipulation to the effect that the countries are resolved to preserve the technological and industrial conditions for their security. This provision, which does not necessitate that these questions be discussed in EPS, must be seen as an expression of the fact that the EPS countries do not want to be totally dependent on the USA in this area.

The practical importance of the EC package for Danish security policy will depend on what the countries can agree on at any one time. The consensus continues to rest on the principle that the countries must be in agreement in order to be able to appear outwardly united.

#### Radical Liberals' Chairman Besieged

Copenhagen BERLINGSKE TIDENDE in Danish 28 Feb 86 p 10

[Article: "Radical Rebellion Against Niels Helveg Petersen"]

[Text] A circle of Radicals wants to settle with the manner in which the party's leader, Niels Helveg Petersen, has conducted the Radical voting campaign. They are demanding a new formulation of the party's total EC policy.

A downright rebellion has appeared in the Radical Liberal Party against the party's leader, Niels Helveg Petersen.

A number of members of the party's central committee want to demand that the party dissociate itself from the interpretation of the party's EC policy which

Radical Liberal Leader Niels Helveg Petersen presented during the voting campaign regarding the EC package.

At the same time the party's superiors are demanding that the EC policy be reformulated.

Behind the rebellion are Birgit Bjørnvig and Sven Skovmand, both of whom are members of the party's central committee and at the same time belong to the People's Movement Against EC.

"At the next central committee meeting in March we will demand a two-day conference in which the party's entire EC policy will be up for investigation. We are distinctly dissatisfied with the fact that Niels Helveg Petersen has removed from the EC package the element concerning the foreign policy consensus, the EPS, while he has said a distinct yes to both the internal market and the section concerning the EC Parliament."

"There exists a clear national congress agreement regarding the fact that the EC package is to be viewed as a whole, but nevertheless Helveg has followed his own zigzag course. We do not want to be a part of this," Birgit Bjørnvig says.

Niels Helveg Petersen cannot account for the rebellion initiative.

"I have acted completely in agreement with the decisions by the party's central committee, and if Birgit Bjørnvig and others say the opposite, I can only say one thing: Now, now!"

Helveg reports that the Radical Liberals want to reintroduce their motion to the effect that the most important EC directives be presented in "bunches" in the Hall of the Folketing for a briefing first discussion. This is taking place in order to secure public opinion regarding the directives.

Regarding the outcome of the referendum, the Radical Liberal leader says:

"It was a clear outcome. I am happy about the big voter turnout. After the referendum I hope that we will now get a more relaxed and constructive EC debate here at home."

TV reported last night that 75 percent of Radical Liberal voters voted yes to the EC package. Thus, the party's voters did not follow the party leadership's recommendation of a no because of the securing of the foreign policy consensus by a treaty.

"There is no doubt that many Radical Liberal voters voted yes. This does not take me by surprise. This is not an insuperable problem. We have said from the start that we respect the yea sayers in the party," Helveg Petersen concludes.

Copenhagen BERLINGSKE TIDENDE in Danish 28 Feb 86 p 6

[Commentary by Carl Otto Brix: "EC Referendum: The Yes Has Resulted in a New Strengthened Government"]

[Text] The government wants to put the brakes on the galloping balance of payments deficit through rapid intervention--and so the government has been reorganized in order to be able to meet the voters in a new strengthened form in a coming general election.

The distinct yes to the EC package means that the government has been strengthened and will continue though in altered form to the expiration of the election term at the turn of the year in 1987-88.

A no would have triggered off an election in the summer and at that it has been suggested in government circles that the government, the day after a no, would have resigned without issuing writs for an election and would have surrendered its power to the victorious Social Democratic Party.

A yes means a reconstruction of the government in the course of a few months so that the voters can get the impression of an energetic government which is ready to continue after the general election also.

And this means, too, rapid economic intervention together with the Radical Liberal Party, before the Social Democratic Party recovers.

The poor figures for Denmark's foreign trade are continuing into 1986 with a January deficit of 1.8 billion kroner. This cannot go on, and the government is deliberating how the economic belt tightening is to take place. There is not much confidence in the fact that further energy taxes can turn the development around. A temporary increase in the value-added tax would be able to do this.

The reason for the deficit is too heavy importing and too heavy consumption, and this would be able to be moderated by an increased value-added tax, which, thus settled, could be reduced in the spring of 1987 in connection with the new labor market agreement.

The political difficulty with getting the economic belt tightening through consists in the fact that the Radical Liberal Party will hardly agree to an increase in the value-added tax, while the Democratic Center regards this as the only fair way. The party cannot agree to rises in prices for automobile and home owners.

The prime minister will have just as difficult a time with the reorganization of the government which he is planning. He has been successful in a totally unusual way at keeping a good coalition going between the four government parties, and it will be the government's end if this goes on the rocks.

Fewer CD [Democratic Center] Ministers

The Democratic Center has it worst and for this reason it will also be the hardest to carry out the reduction of CD ministers which lies just ahead. It will be easiest to dismiss Tom Høyem, because the Ministry for Greenland is to be abolished. Niels Bollmann is leaving the Housing Ministry, among other things, because he is to be group chairman, but in return the party's future leader, Mimi Stilling Jakobsen, is to have an economic ministry. It will perhaps be the Labor Ministry, whereupon Grethe Fenger Møller after years in the government's perhaps most vulnerable post will become culture minister.

Minister of Economic Affairs Anders Andersen and Industry Minister Ib Stetter can quietly cite age as the reason for the fact that they are leaving at the reconstruction of the government.

The Conservatives can have an even better position if the party's number-two finance minister, Palle Simonsen, also becomes the government's number-two in taking over the foreign affairs minister's post after Uffe Ellemann-Jensen, who then as the Liberal Party's chairman and finance minister will have more time for domestic politics.

With this it will also be possible to lighten the unpleasant atmosphere which suddenly originates when the foreign minister and a Social Democrat are in the same room.

Behind this is an obvious desire on the part of the coalition-friendly prime minister to enter a dialogue with the Social Democratic Party both in the security policy and foreign policy area, including the future EC consensus.

However, this cannot happen to begin with. Here the Social Democratic Party has declared that it will obstruct the political work on the EC directives which will come after passing of the treaty regarding the internal market.

The government will be forced to obtain its majority from the Radical Liberal Party; the Social Democratic Party does not want to contribute to this.

The major opposition party will also have enough to do with coping with its own internal situation. The yes vote quite certainly started a storm against the party leadership from the trade movement, because unhealable rifts have been made in the coalition between the two branches of the labor movement.

But this will not affect Anker Jørgensen. He and Svend Auken will, at that, perhaps be in a stronger position with a yes, for this is what they originally wanted. It is Ritt Bjerregaard and the group behind her, as well as Karl Hjortnaes, Kaj Poulsen and Helle Degn, who are the defeat's women and men. Anker Jørgensen's position in relation to the most power-conscious person in the second rank, Ritt Bjerregaard, has been strengthened, and this can be of far-reaching significance for the party's future course. One will become the scapegoat. This is Market Policy Spokesman Ivar Nørgaard, who gambled high and lost. But he had a good time during the dramatic exit.

Both the government and Social Democratic Party can be happy about one thing: The yes kicked the meaning out from under the People's Movement Against EC.

For years the movement has loudly demanded a referendum. Now they have gotten it and the answer was a clear repudiation of what the movement stands for. What will it now live from, the political parties ask.

Defense Compromise Next Target

Copenhagen BERLINGSKE TIDENDE in Danish 28 Feb 86 p 2

[Editorial: "The Period to Follow"]

[Text] The referendum's outcome does not mean an end to the parliamentary problems which have long plagued the government. But a shifting of weight will probably take place so that there will be peace on fronts which previously were troubled. Conversely, increased unrest can be foreseen in sections of the front which up to now have been relatively calm.

Peace can come regarding the EC issue. Whether the Social Democratic Party decides to directly join the referendum by voting yes in ratification of the treaty or it retreats into a shell via a non-voting position, there will be a majority in the Folketing for the market policy.

This can mean that in general it will be more peaceful on the entire foreign policy field. But lurking in the background is the fact that a new defense compromise is to be entered into in 1987. The Social Democratic Party has broached the matter through party work which to all appearances is concentrating on obliging the Social People's Party's desire for greater emphasis on a so-called defensive defense system. If this becomes Social Democratic policy it will be difficult or impossible to create a negotiation topic which can unite the government and opposition. The defense minister will come to be faced with a heavy negotiation burden, first and foremost because he knows in advance that the Folketing's present composition will force him to negotiate with the Social Democratic Party. For this reason, the security policy and, thereby, the foreign policy, peace can come to be of limited duration and extent.

The situation with the economic policy is not so difficult. The Radical Liberal Party stands as a guarantee for continuation of the established line. But if it goes bad for the Social Democratic Party, this can result in the fact that the frayed edges of the tax reform will be put into order only slowly and that the government will have to abandon carrying out the bigger reforms which are needed elsewhere; for example, in the area of pensions.

All in all, the government can prepare to remain in power up to the expiration of the election term. This fact will be an opportunity to consider whether individual adjustments are to be made in the composition of the government. The need for this is certainly not acute, but everything speaks for the fact that the government in due course will go to the election with the distinct ambition of being elected for an additional term. For this reason it will be most convincing if the government is composed so that it can confront the voters with ministers who are already broken in and who can continue in their posts for another term. Since the perspective will accordingly be a five-year

perspective, it will be necessary for quite obvious reasons for the prime minister to make changes in several jobs. The end of the uncertainty regarding the market policy can be the fitting occasion to reconsider the composition of the government, on the basis of the handshake which the people have now given the government. It is a handshake which extends farther than the current election term.

#### SDP Remains Elleemann Enemy

Copenhagen BERLINGSKE TIDENDE in Danish 1 Mar 86 p 9

[Article by Hans Jørgen Poulsen: "Social Democratic Party After EC Referendum: Elleemann Held by Coattails"]

[Text] In spite of the positive show in the referendum, the Social Democratic Folketing Group continues to be extremely critical of the foreign affairs minister, but does not want to raise a vote of no confidence against him. The party will vote yes in the Folketing when the package is to be ratified.

"We continue to be very critical of the foreign affairs minister, but we have not discussed raising a vote of no confidence against Uffe Elleemann-Jensen in the Folketing. However, this does not mean that we have confidence in him," the chairman of the Social Democratic Folketing Group, Ex-Prime-Minister Anker Jørgensen, said yesterday. This took place after the group in an hour-and-a-quarter-long meeting had discussed the political situation and the party's situation after the referendum.

The critical attitude toward the foreign affairs minister will not influence the Social Democratic Party's conduct when ratification of the EC package is introduced in the Folketing in March. On this occasion the party will vote yes, Anker Jørgensen reported. He thereby disseminated clarity after other of the party's leading politicians had intimated that the Social Democratic Party would perhaps refrain from voting, a position which would not have put the government in difficulty, but which on the other hand numberswise would have given a more subdued expression of the Folketing's definitive attitude toward the EC package.

#### Criticism of Group Leadership

The Social Democratic Folketing Group mustered almost to a man for the first meeting after the referendum. Deep self-searching and a major inquest were planned in advance, but according to what one of the participants reports to BERLINGSKE TIDENDE, the meeting took place in "rather relaxed fashion."

However, criticism was voiced at the meeting against both the leadership and the party's members of the Folketing Market Committee, because the group had not been sufficiently informed regarding developments concerning the EC package in December. Because of a lack of communication, knowledge of the contents of the package was received too late. Twenty to 25 of the group's members had the floor. It was agreed to aim at unity in the group in the future and to continue to hold onto Uffe Elleemann-Jensen's coattails, and to study closely

in the Market Committee the coming EC directives, among other things, in the environment and health areas. Even among Anker Jørgensen's sharpest critics, the position was taken that now the situation in the Social Democratic Party should be "played down."

#### New Committee Appointed

At the same time, now a subcommittee is being appointed under the Market Committee, which will look at which procedure will be used when the Folketing discusses the at least 300 directives resulting from the Danish ratification of the EC package.

"It is necessary to have a new procedure. Some of the directives must be taken up in jurisdiction committees, for example, the environment or industry committee, before they are discussed in the Market Committee, and some must also be taken up in the Folketing, if accompanying legislation is to be made," Ivar Nørgaard (Social Democratic Party) said after a meeting of the Market Committee.

It is feared in the government parties that a new procedure will only contribute to dragging things out and blowing even small things up into major political questions.

The prime minister informed the spokesmen yesterday regarding the signing of the EC package, and Foreign Affairs Minister Uffe Ellemann-Jensen (Liberal Party) had to explain the procedure both to the Folketing Market Committee and the Foreign Policy Tribunal. The left-wing parties expressed dissatisfaction with the fact that the minister is so rapidly going down and signing the package.

#### Jorgensen Attacks Ellemann-Jensen

Copenhagen BERLINGSKE TIDENDE in Danish 1 Mar 86 p 10

[Editorial: "Will They Go On?"]

[Text] It would be unbelievable if it had not been witnessed by thousands of viewers that the country's longstanding prime minister, the party chairman of the Social Democratic Party, in the hour of defeat is using the screen and microphone to intensify and vulgarize his campaign against the person of the foreign affairs minister. While all the others--with the exception of the few fanatics who never come down to earth--after the showdown are behaving with the reserve which is natural when the work day is over once again, Anker Jørgensen has continued his election campaign as though it was without end for him. It must have seemed embarrassing to everyone else than those who think that Anker Jørgensen is Denmark's great statesman--and there certainly cannot be many of them.

It was provoking that the nay sayers so unilaterally directed their attack against Uffe Ellemann-Jensen. He was represented as though he was not at all looking after Danish interests and as though it were through his lack of

ability and will that the country had been put into a situation in which there was not a majority in the Folketing for the EC package. The campaign was for the most part tasteless, but also directly nasty. It was said that not only a Social Democratic foreign affairs minister but practically no one whosoever could have negotiated to an outcome satisfactory to Denmark. The foreign affairs minister was both incompetent and unreliable.

This ad hominem propaganda appears so strong because it is not based on even the scantiest fact. Everyone knows that Ellemann-Jensen is a fast thinker and quick-witted in repartee and that his style can for this reason be of a provocative nature in relations with his political opponents. No one would deny that he is occasionally so quick in his attacks that he uses wording that is stronger than his associates can tolerate. But it is just as true that the foreign affairs minister is able to live up to his official obligations without curtailment. Actually, his opponents too ought to admit that the lengthy complicated negotiations in EC regarding the reform which did not become as great as several other countries desired were conducted in such a manner that Denmark achieved considerable understanding and not so few concessions concerning the viewpoints which were the Folketing's. Ellemann-Jensen has displayed an equivalent ability to explain and defend Denmark's policy in other international connections in which the government has had to work under the demands the Folketing majority placed on it. This has been personally a strain, but the foreign affairs minister has borne the burden without much of a murmur.

After the referendum's clear yes, the Social Democrats should keep for good from continuing the smearlike campaign against the foreign affairs minister. Do they think that they can win the votes they did not get on Thursday by continuing the election campaign in the Market Committee? Anker Jørgensen is the one who, as party leader, should see to it that the negotiations between the government and parties come to rest on objectivity. Unfortunately, it seems that he, on the contrary, wants to incite his fellow party members to making the foreign affairs minister disliked. This is both unjust and unfair.

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CSO: 3613/81

POLITICAL

DENMARK

SOCIALIST PARTY NEWSPAPER ON PLEBISCITE APPROVING EC REFORM

Copenhagen AKTUEL in Danish 28 Feb 86 p 10

[Editorial: "The Smoke Has Cleared"]

[Text] Of course the results of the plebiscite must be respected. It was one of Foreign Minister Uffe Ellemann-Jensen's stupid moves during the campaign when he created some doubt as to whether he would respect the results of the "consultative referendum"! That was one example from an unusual election campaign in which smoke from the cannon salvos formed thick choking clouds over the front lines, making it impossible to distinguish friend from foe. Now the smoke has cleared and we are left with the memory of the most primitive, crude and untruthful campaign we have ever experienced. It was a plebiscite on the EC package but it was also a plebiscite that was used for domestic policy purposes. The government succeeded in mobilizing the private business sector and the big business organizations to an unprecedented extent. Even the self-proclaimed "nonpolitical" East Asiatic Company [OK] joined in. It will be interesting to see if these companies keep up their political involvement now.

And so Danish support of the EC package has become a reality. The task now is to get as much as possible out of the new EC situation, to assist in the expansion of the "internal market" and to make sure that the level of environmental quality that we want to maintain is not undermined.

And now the Danish labor movement must fall in step again, which should not be a difficult thing to accomplish. The movement did not agree on EC in 1986 any more than it did in 1972, but that is not something that will destroy the movement. The tasks it faces are too great for that. During the campaign Danish political life has stood still. While the government made doomsday speeches about how bad things would be without that approval, Denmark's economic situation deteriorated further. The trade balance is becoming catastrophic and even Economic Affairs Minister Anders Andersen was dubious about it. The Christian People's Party, which is one of the parties making up the government, pointed out what Andersen has so far avoided saying in public—the Christians called for a "comprehensive economic intervention."

On 20 March Folketing is scheduled to debate the economy that has gone off the rails. The EC package was expedited and in the confusion domestic

problems were put aside. Now they are clamoring for attention and they demand an answer. Will there be new taxes, an increase in the value-added tax, extra taxes or something entirely new to add onto the real interest tax, compulsory savings, higher rents, decreased deductions and new property taxes? In any case the Danish labor movement now has something concrete on which it can unite: getting a different government.

6578

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POLITICAL

FEDERAL REPUBLIC OF GERMANY

FOREIGN AID FOCUS SHIFTING TO SMALLER PROJECTS

Hamburg DIE ZEIT in German 14 Feb 86 p 12

Article by Wolfgang Hofmann: "The Taming of the Reed Rat: The Official Agencies Have Also Learned From Mistakes"]

[Text] In the warm humid climate of the Guinea zone to the south of the Sahara, *Thryonomys swinderianus* is becoming a public nuisance. Valuable crops such as corn, rice, manioc and sugar cane, important basic foodstuffs of the developing countries in Africa, are falling victim to this porcupinelike quadruped from the rodent family, which can weigh up to 8 kilograms. The plague of *Thryonomys swinderianus*, known in central Europe as the reed rat, may soon be over. For: "The reed rat will be domesticated."

The one saying this is Hans-Peter Merz, one of the three managers of the German Society for Technical Cooperation (GTZ) in Eschborn near Frankfurt. Society experts working in the African country of Benin want to convert the reed rat into a domesticated animal. In a way, the idea is a by-product. Because the rodent is, on the one hand, a pest and, on the other hand, a sought-after game animal on account of its high-quality meat, an animal threatened with extinction despite a prohibition against hunting it, the idea of its intensive utilization as a domesticated meat animal seemed reasonable. If the attempt is successful, then that will open up a lucrative sideline for the small farmers and suburban inhabitants of Benin as well as other African countries.

The project in Benin is one of the approximately 2,000 projects of the GTZ, the subsidiary of the Bonn development ministry organized according to the principles of private enterprise. The GTZ puts into practice what the development ministry political defines as "technical cooperation" and distributes to the Third World. The GTZ goes to the Third World with personnel and material to show on site how things are done. Expressed in numbers, the GTZ is a service enterprise of considerable size. The annual turnover is just under DM1 billion (1984) and the enterprise employs about 5,000 people. A good half of them belong directly to the GTZ and the rest are local forces in the more than 100 countries in which the GTZ is involved or they are employees of consulting firms that are used from time to time as advisers. At the present time, the main effort of the development work of the GTZ is in the development of rural areas.

About half of the resources of the GTZ are invested in Third World agriculture. Recurrent catastrophic famines have increased dramatically and forced both givers and receivers to change their thinking. Both have concentrated on prestigious industrial projects much too long. Rourkela in India, a steel mill built with German help, is a typical example of a prestige project of the 1960's. It has long since become synonymous for controversial giantism. The new motto in development policy is: "Instead of projects costing millions, millions of projects."

#### Favorable Interest Rates

Rourkela is also the largest German development project ever financed by the Reconstruction Credit Institution (KfW). Along with the GTZ, this bank (about 800 employes) is the second institutionalized instrument of Bonn's development policy. This largest special institute of the Federal Government is the house bank through which the development minister distributes the taxpayers' money. The main task of the KfW (with headquarters in Frankfurt) is to provide the German economy, where necessary, with low-interest credits. Since 1961, only a small part of its total business ((DM2.4 billion of a total of DM15.5 billion in 1985) has been dedicated to the Third World. Instruments of the bank include direct nonrecoverable grants for projects in the poorest countries as well as credits at favorable interest rates. The rates are between 0.75 and 4.5 percent depending upon the development status of a country. In some cases, they are practically in the nature of a gift and in others they are quite a bit higher but still well below the interest rates prevailing in the market for normal loans.

The KfW and GTZ are cooperating in more than 100 projects, with the bank as financier and the GTZ as technical adviser. But the credit institute looks after most of its approximately 1,400 projects alone. The KfW has also increased its involvement in rural development. In numbers, at least, the financial efforts even doubled last year.

Today agricultural projects are tackled differently by the GTZ as well as the KfW. For a long time, agricultural development aid was understood more or less as a transfer of Western agricultural techniques. The balance for the GTZ was rather negative, however: "With respect to the technical possibilities and development strategies, it was often our experience that the affected rural population was frequently passive and not very receptive." Simply put, that means: the people did not want to accept everything that was technically possible.

The KfW now speaks of "strategies of specific growth impulses in rural regions," from an "orientation of the measures toward clearly defined target groups," and from the "promotion of an increased product and the participation of target groups." It is a vocabulary that conceals one of the critical weaknesses of the past only imperfectly: the inadequate participation of the rural population from the planning through the implementation of the projects. Rudolf Klein, director of the foreign secretariat of the KfW, is very plain in naming an additional weakness of rural development aid: "It is best not even

to go into countries with compulsory state marketing systems that serve only to keep agricultural prices low for the urban population, for that is just throwing money away."

But Klein would not be a banker if he did not make the reservation that sometimes state administrations just cannot be avoided, because there are countries "such as India, for example, in which nothing happens without the state." To be sure, bank experts, and certainly not those of the KfW, do not draw the obvious conclusion for development policy of providing no development aid at all. After all, the political priorities are determined by Minister for Economic Cooperation Juergen Warnke, the stockholder in Bonn. It is his responsibility when millions are lost in the bureaucracy of a developing country. The question, of course, is whether the bankers are always insistent enough in their warnings when there is good cause.

Still, it is progress, when one recognizes that it is worth while to promote small production units and that money is better spent on small cooperatives than on large state organizations. Small farmers have become worthy of credit! "Small is beautiful" is valid in development policy as well, as the following criticism by the KfW against the industrial policies of many developing countries makes clear: "Crafts as a traditional occupation are not considered modern enough, so that industrial policy concentrates on larger enterprises--despite some well-known problems, including dependence upon initial products, machinery and energy sources, and thus dependence upon the availability of foreign exchange. Typical promotion measures such as customs and tax exemptions support larger enterprises and are scarcely relevant for small business." Here, at any rate, is a new point of departure for the KfW that has not been adequately utilized heretofore--aid for self-help that often is even cheaper than the fully financed project deep in the bush. Rufold Klein confirms: "We are prepared to take some risks in this area."

The top managers of the KfW as well as the GTZ have an increased awareness of the possible consequences of their actions. Scarcer finances and better insight forbid the implementation of projects at any price. The construction of a dam or the digging of deep wells is no longer the only reasonable solution for water shortages in regions of recurrent drought. GTZ manager Merz: "We know that wells are not necessarily the solution, that they can even be harmful." Development aid therefore means that at the beginning there must be a study of the causes for underdevelopment. Wells are of little use when there are already too many animals on dry pastures.

Consolidation of farmland and land reform are indispensable for rural development. That is now part of the equipment of every development adviser. "In choosing our projects, we take care that such basic conditions are met." The view to harmful results is also something new: "When a pig fattening factory displaces the livestock operations of small farmers, then those are undesirable secondary effects that we must avoid," says Merz. It is doubtful that they are always avoided. Many projects of the Bonn development minister were internally evaluated as "not meaningful for development" and were nevertheless carried out. Others are stopped by red tape. A development expert of the GTZ complains: "Individual decisions of Bonn development politicians, probably death sentences for projects, without even making an

attempt to listen to the project manager ahead of time." The bureaucracy of the developing countries is not the only hindrance.

But there are also more and more examples showing that careful advance studies pay off. An African chief of state wanted a sugar factory from Bonn. The project was to be preceded by the establishment of an institute to study the cultivation of sugar cane. Both were quickly shelved, for preliminary studies had shown that a profitable sugar factory to provide the little country with sugar would have been much too large. And since sugar, on the other hand, is not a scarce commodity in the world market, the surpluses could not have been sold. GTZ manager Merz adds: "We improved the village production methods instead."

An important instrument of the GTZ aid is GATE (German Appropriate Technology Exchange). The provision of appropriate technology long had a bad reputation in the Third World as a variation of neocolonialism. Properly used, the effect of technologies that are adapted to the often extreme conditions of the developing countries is anything but the feared new dependencies. In Botswana, for example, the GTZ has begun a new wind-pump program. These pumps could make the obtaining of water from deep wells considerably less expensive. At the present time, about 5,000 deep wells are operated with diesel pumps that are reliable, to be sure, but economically expensive. Because of the poor roads and the great distances, the maintenance of the pumps and the delivery of the diesel fuel is extraordinarily expensive. Wind pumps could be an alternative.

The type of technology does not play a big role for the KfW bankers. Klein asserts: "We will certainly not allow a project to fail because of its more up-to-date technology." Nevertheless, thinks the banker, the upper classes in the developing countries continue to expect the newest technologies, although the conflict between appropriate and advanced technology is no longer as great as it was a few years ago.

How effective are the two instruments of Bonn's development policy, which are supposed to carry out development aid locally in accordance with the criteria of private enterprise wherever this is possible and create jobs in the Third World but that also must see to it that the good works for the underdeveloped world flow back in the form of orders to German enterprises? Meanwhile, mistakes are openly acknowledged. Hansjuergen Baekow, director of the managing secretariat of the KfW, offers the handy formula: "Where people are at work, there will always be mistakes."

#### **One-Fifth Failures?**

But the development managers are reluctant to acknowledge many mistakes. Rudolf Klein, in any case, says: "We achieved our goal in about 80 percent of our projects, whereas 20 percent have shortcomings. There are only a few true flops." That sounds like an exaggeration. To be sure, it is true that failures in development aid always dominate the headlines and thereby overshadow the successful projects. But an internal investigation by the Ministry for Economic Cooperation allows one to conclude that there are more

failures than those involved want to admit: only about one-third of the investigated projects received an overall "positive" evaluation. The investigation also names those responsible by name. There were complaints against the ministry as well as its two important helpers. These complaints, however, also have blemishes: the investigation was limited to such a small number of projects that a generalization is really impossible.

9746

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POLITICAL

FEDERAL REPUBLIC OF GERMANY

VON WEIZSAECKER'S ASIA TRIP YIELDS NEW FOREIGN AID CONCEPTS

Frankfurt FRANKFURTER ALLGEMEINE in German 6 March 1986, p 12

[Article by Inga Krugmann-Randolf: "To See What One May Improve"]

[Text] What FRG President von Weizsaecker absorbed and learned during his Southeast Asia trip may be nothing new; it may be known here or there, at random, or more or less obscurely. But that a Federal President and a personality like Richard von Weizsaecker stored it all, lends special importance to it. He is going to channel it, with the authority of his office and personality, into his public efforts, carry it farther, disseminate it publicly, among those with political responsibility in Bonn and internationally. He will use it in talks with official visitors from around the world, especially in the political dialogue with representatives of the developing countries.

The point is that Weizsaecker intended, encountering Burma, Bangladesh, and Malaysia, which he calls "key countries for a developmental policy understanding per se," not only to "consume impressions," but to absorb impressions and have them substantiated by what one already knows. One gets the impression that the chief-of-state has readjusted the coordinates of his world-view. What may be the most significant realization: that our consciousness often misses the needs and interest of most men in the world who have to spend all their strength in the daily struggle for survival. It is the realization that the central problems in the world today pertain to fighting against hunger and misery.

Some other insights: From the dispute over whether governmental or non-governmental development aid is "better" no conflict of belief should erupt. Both are needed, with a preference for a gradual expansion of the work done by the nongovernmental organizations. Secondly: Should developmental aid seek to transfer to the Third World models of progress that have proven themselves here (catchword Eurocentrism) or should we, engaged in it, forget about Western values? In this matter Weizsaecker advocates a middle course between both poles: no superimposing of Western ideas of civilization on foreign cultures, no export of drawing board theories, but developing concepts adopted to the framework conditions in any given country while certainly demonstrating Western values and experiences.

For his first big trip to the Third World as Federal President (brief visits to Jordan and Egypt and the refugee camps in the Sudan had preceded it in 1985), von Weizsaecker chose countries that were not easy. He did not want to visit states "distinguished by a special lack of problems, be it economically or as regards their concept of democracy." To the latter the Federal President alluded when he said to Ershad, chief-of-state of Bangladesh: "We have to use our means not for arms but for needs." The partners in these conversations are likely to note with attention the slight undertones of his cautiously balanced formulations, coming from a man like Weizsaecker who demands respect and consideration, as he himself offers respect and consideration to others.

Decisive for visiting these three countries, which differ from each other so fundamentally--Burma a country largely closed off from the world seeking its own course of development; Bangladesh one of the poorest and most problem-ridden countries in the world; and Malaysia, a threshold country, which has already most up-to-date industry to show for--was that the first two had never yet received official German visitors, that intensive developmental cooperation is taking place, and that they are seeking political dialogue.

In Burma the Federal President was mostly impressed by its holding on to its social and cultural identity. While there is poverty, misery does not strike the eye. People do not appear unhappy and are relying on their religion. The visit served to endorse the Burmese in their independence and equidistance from the superpowers and to pay tribute to them for not surrendering to some nondescript universal civilization but for deliberately pursuing their own course in terms of their own culture and religion. The visit, however, also served to show the readiness for cooperation if it was needed and desired.

"Interest in the roots of the culture, the spirit and religion helps understand the possibilities and needs for cooperation," the Federal President said. "We need to understand these roots if we really want to help others." A topic close to his heart: "To be and remain eurocentric would seriously restrain our chances to experience these cultures. Yet one should not for all that spiritually renounce Europe. Especially in Southeast Asia people have great respect for German philosophy, for the German spirit in the broadest sense, and are much interested in finding out how that spirit is developing in Europe and what it has to offer to the world."

It is very important to Weizsaecker that the cultural, historic and, above all, the religious factors are not neglected by our developmental aid, which is more rationally and technically oriented, but are regarded as important points of contact. The old tradition of a religious attitude was much stronger in Asia, he said, than among us in the West; one could rely on it more solidly than on merely rational understanding.

Bangladesh, the most densely settled state in the world, where 100 million people (140 million already in the year 2000) have available no more than an area equivalent to Bavaria, in the view of the Federal President, "will remain a key country for testing the North-South cooperation." No other country has so fiercely triggered the conflict over developmental policy. Weizsaecker hopes "this discussion will improve our understanding; we certainly have not yet learned all there is to learn." He welcomes a vivid debate on the proper form of

development policy and aid, "provided we are not doing it with the intention of talking ourselves into resignation or migrating each other," as he put it. One should have to encourage the citizens' readiness to help through money, donations, or personal involvement. "Reversals and failures must not mislead us into resignation." Nor does resignation accord with reality if one sees how people in Bangladesh, despite almost hopeless living conditions, rather than surrendering to lethargy, indefatigably struggle for survival.

The Federal President went to Burma, Bangladesh, and Malaysia "to look at the situation as it is and see what one may improve." He wanted to inform himself "right on the spot and, upon his return, advocate the weight of our political responsibility." He says he has not after to short a trip gained the experience of a longtime expert, but he could take better part now in the discussion. Foreign aid will remain a major point in his efforts. He has already demonstrated his commitment as patron of the German World Hunger Aid and of "Africa Day" and by visiting the refugees in the Sudan. He will do more advocating Third World dialogue.

The Federal President was well prepared taking this trip. When talking with journalists before he showed himself well informed when he said: "The challenge is how we can manage for development aid truly to reach those who live not only in poverty but in dependency. Such issues actually are more important than those of macro-economics." Weizsaecker strikes you not as someone who knows the solutions but someone who can find solutions. He finds a contribution to the solution in boosting the proportion of non-governmental organizations in development cooperation. Not only were governments and administrations overtaxed in official aid; private project management had much to recommend itself because it was closer to the ones to be aided. His summary: "Development aid calls for much courage, dedication, and patience, as well as for the readiness to keep learning self-critically. Development aid is tougher to put into practice than a good intention can imagine it."

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POLITICAL

FINLAND

TREND TOWARD DECLINE IN PARTY MEMBERSHIP, POLITICAL ACTIVISM

Swedish Party Only Gainer

Helsinki HELSINGIN SANOMAT in Finnish 24 Feb 86 p 9

[Article by Martti Paananen]

[Text] Party membership has gone into a decline. In the present decade only the Swedish People's Party (RKP) has been able to keep its people in the ranks and even increase its membership.

What then can we read in the membership figures?

Now that the parties are more and more transferring their membership rolls to computers, the figures at least tell us how many are paying their membership dues. Before, the number of members was disguised with both members who had not paid their dues and those who had already passed on to the voting districts of heaven.

According to Doctor of Political Science Jan Sundberg, it is difficult to draw any far-reaching conclusions from the evolution of membership. Among others, the reason for this is the parties' different ways of counting their members and, especially before now, those in arrears who had not paid their membership dues.

Membership figures do not necessarily tell us anything about member activism. "Properly, political activism is found in local politics. For parliamentary elections, 1,300 candidates are appointed and for local elections 66,000. In local politics a countless number of representatives is needed for different kinds of boards and committees," Sundberg said.

"A large membership is a useful reserve for a party," Sundberg stated. According to him, party activities are divided into election years and the activities between them.

"If a party wants to succeed, it pays for it to begin with the parliamentary elections. Local elections demand much too big an organization," Sundberg believes.

According to him, the importance of the party subsidy can be seen in the fact that, for example, in Denmark, where there is no party subsidy, party memberships have dropped to half what they were in 1950. There, belonging to a party is a big expense since their expenses are largely covered by membership dues. In Finland membership dues are much lower," Sundberg said.

#### Big and Mighty Center Party

The Center Party has long been the biggest party in terms of membership. At its peak there were nearly 310,000 members. At the present time the figure is under 300,000. This figure includes about 3,400 Liberals.

According to party secretary Seppo Kaariainen, the party's size is due to the strong network of basic cells that was created in the 1950's under Arvo Korsimo's leadership. "In the early 1970's the party suffered severe defeats in elections, which was also reflected in the number of members. Now, when support for it has become established, the same thing has also happened with membership," Kaariainen said.

About 46,000 members belong to the party women's organization and just under 43,000 to the youth organization.

#### SDP's Decline Has Begun

While it was growing as the national caretaker party, the SDP [Social Democratic Party] increased its membership until at least the middle of the last decade. The magical membership milestone of 100,000 was exceeded three times: in 1977, 1978 and 1980. After that, membership went into a marked decline. The difference between it and the Conservative Party is at present a good 10,000, whereas at its peak it was nearly 30,000.

"The party's vigorous growth in the first half of the 1970's was due to politicization of the labor movement," party secretary Erkki Liikanen thought. According to him, the political climate does not at this time favor the parties. In the SDP they take a serious view of the decline in membership. The Social Democrats have a shortage of young people in particular.

In the early 1980's slightly over a third of the party members were women.

#### Conservative Party Curve Straightened Out

In the early 1970's the Conservative Party was the second largest party in terms of membership; there were then over 80,000 members. The elimination of deceased and double-entry members in 1973 brought the figures up to date and membership dropped to close to 70,000.

The pensioner organizations were transferred out of the party in 1979, which again cut off the increase in membership that had taken place. In the present decade membership has fluctuated about both sides of 78,000.

Organization chief Hannu Salokorpi told us that once a year the party is patient with those who do not pay their membership dues. "There is no overlap," he assured us.

Just about half of the party members are women.

#### Swedes Have Steady Growth

Support for the RKP has been the steadiest of all, which is above all due to the support group's linguistic unity and distinctive nature. During the past 15 years membership has swung to both sides of 50,000.

The lowest figures for the period were at the start of the past decade, which is in part explained by the founding of the Constitutional Conservative Party. The Constitutional Conservatives got their members mainly from the RKP, the Conservative Party and the independents.

For about 10 years RKP membership has been slowly but surely increasing and it is approaching 55,000.

"Party members' average age is slightly over 50," research secretary Stig Granfors said. There are about 5,000 young people in the party and slightly over half of the members are women.

#### Dual Members of SKP and SKDL

The SKDL [Finnish People's Democratic League] has registered its members once every 3 years. Sometime at the end of the decade membership took a downward turn, which was in part due to the party's internal problems.

"The most reliable figures on SKP membership are in connection with the exchange of membership cards, the latest of which was in 1973 and 1984," said SKP organization secretary Risto Koskinen. In 1973 37,500 Communists received new membership cards and the year before last the figure had dropped to 33,500. Before the renewal of cards, there were about 52,000 members in the first half of the 1970's and a little under 50,000 before the last exchange of membership cards. A little less than a fourth of the SKP members, or about 8,000, belong to the SKDL.

As things look now, the exchange of membership cards to begin in March will eliminate the Stalinist Communists from the party. The figure of 12,000 to be purged has appeared in the press, which would reduce SKP membership to about 20,000. Thus SKDL membership will also shrink.

About a third of the members of the SKDL and the SKP are women. The average age of SKDL members is 48 and of SKP members 51.

#### SMP Does Not Provide Membership Figures

The Finnish Rural Party (SMP), which succeeded through the vote of the oppressed people, did not want to reveal the evolution of its membership figures. At

the present time we are assured that its membership is "about 20,000"; the party regards the exact figures as privileged information, information chief Kari Raisanen told us.

In 1982 there were 21,000 members, less than 20 percent of whom were women.

#### SKL Strength Is in Women

The Finnish Christian League (SKL) was founded in 1967, at which time there were 580 members. In spite of an increasingly conservative climate, the party's growth has come to a stop. Around 5 years ago its membership was about 20,000,

while now the figure is 3,000 less than that.

"There are less than 3,000 SKL members under the age of 35," party secretary Jouko Jaaskelainen said. According to a study made in 1982, women account for the majority in the SKL, 59 percent.

#### LKP's Growth Comes to a Stop

The Liberal Party's (LKP) growth came to a stop at the end of the 1970's. Over half of the members are women and, according to party secretary Jari P. Havia, most Liberals are office workers or small businessmen. The Liberals' banner does not wave in the hands of many people under 25. According to opinion polls, less than 2 percent of its supporters, which are not the same thing as members, are young people.

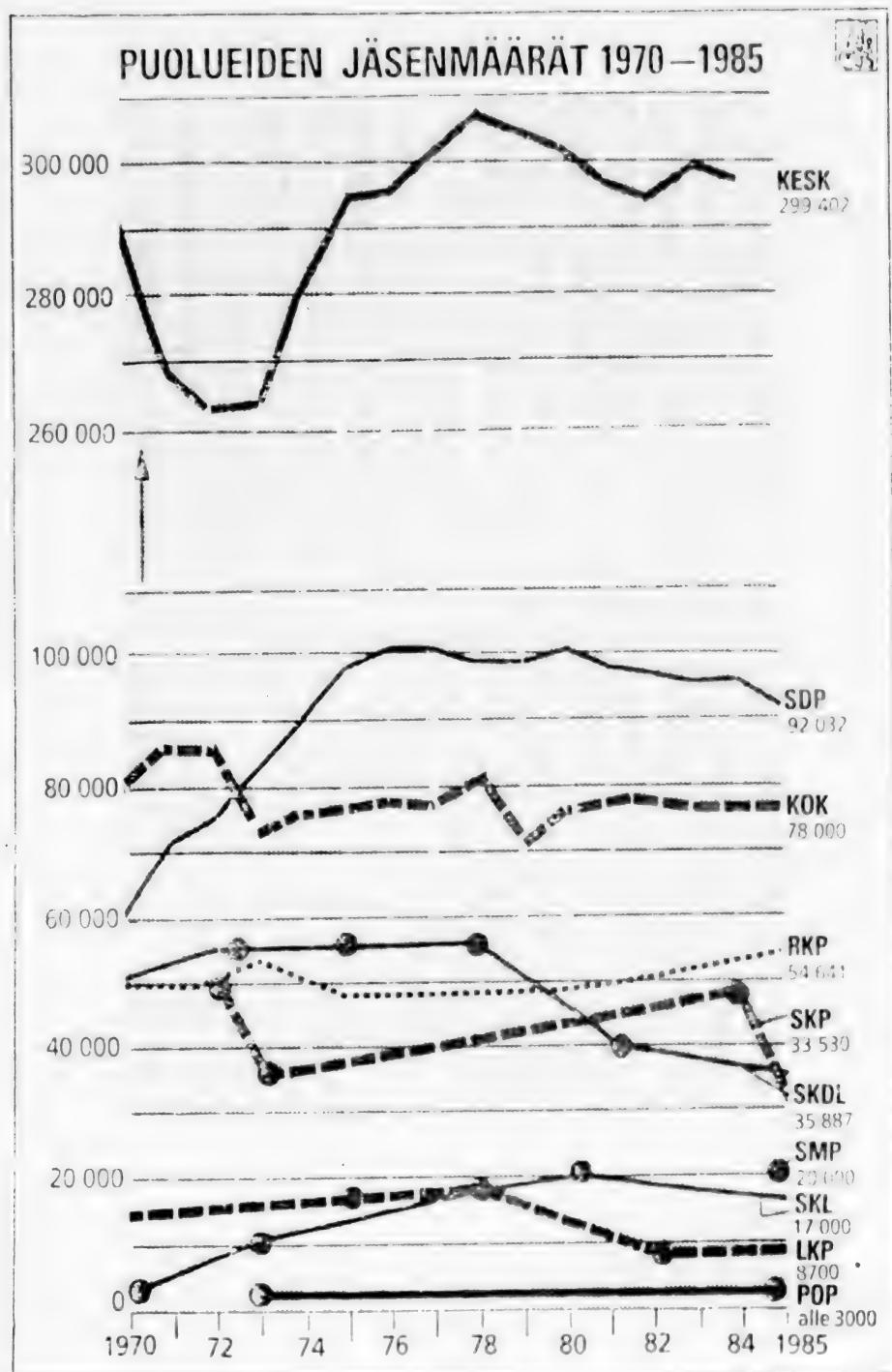
Havia accounted for the party's decline by stating that members disappear when things go badly in the party. And things do go badly in the party when it gets few votes in elections.

In the 1980's the LKP has resorted to automatic data processing in its membership rolls and at the same time the figures report on members who belong to the party. Members of the party's independent organizations are not included in the figures.

#### Constitutional Conservatives Mope About

The Constitutional Conservative Party came into being in 1973. "The membership has amounted to several thousand," party secretary Panu Toivonen said. Forester Toivonen interpreted the slow growth of the party membership as comparable to the growth of a Finnish spruce. "A spruce too mopes about for the first 10 years and only then does it begin its rapid growth. There are signs of growth as far as we are concerned too," Toivonen said.

He estimated the current membership to be "under 3,000." According to Toivonen, the core constituency of the Constitutional Conservatives has traditionally been war veterans and pensioners. "Young people's interest in us has, however, been recently growing. Active men have also so far been lacking," Toivonen said.



Key:

1. Party membership: 1970-1985.
2. Center Party.
3. Social Democratic Party.
4. Conservative Party.
5. Swedish People's Party.
6. Finnish Communist Party.
7. Finnish People's Democratic League.
8. Finnish Rural Party.
9. Finnish Christian League.
10. Liberal Party.
11. Constitutional Conservative Party: under 3,000.

Center Party, SDP, Conservative Party and RKP membership figures are compiled annually. As for the other parties, the points indicate those years on which there is information. The SMP will not disclose the evolution of its membership. The figures under the names of the parties report membership as of last year.

Leftist Youth Organizations Weakening

Helsinki HELSINGIN SANOMAT in Finnish 8 Feb 86 pp 4-5

[Article by Anneli Kanto: "Seekers of Our Lost Youth"]

[Text] There are a few dozen members under 20 years of age in the SKDL. There are less than 100 of them in the SDP.

When one asks about the number of organizationally active and functioning organization cells, officials in both leftist youth organizations, the SDNL (Finnish Democratic Youth League) and the SNK (Social Democratic Youth Federation), squirm. It is hard for them to say. They do not remember from how many cells delegates to the party congress were approved.

The SDNL reported that its membership totals 27,000, the SNK 25,000. At the Education Ministry they estimate that there are a total of 22,000 members under 25 in all 13 political youth organizations. The SDNL reported that a third of them are their members.

The average age of SDNL members is 27. The SNK more vaguely said that a fourth of their entire constituency are "old" members. Both organizations report that there are from 250 to 300 active cells. The annual meeting is sufficient for them to be operational.

We have heard nothing about leftist political youth organizations in ages. Sometimes the young Social Democrats' Helsinki district gets into the afternoon newspapers with its daredevil tactics. The SDNL is dropping inactive cells and inactive minority districts from its computerized rolls. When they organized 20 get-togethers for the 35 campaign in the fall, it was recorded as an achievement. They cautiously say that there will be "several hundred" participants.

SDNL business manager Heikki Suortti did not maintain that they had gotten out of the trough of the wave, although the organizations' activity has increased to the extent of a half a year.

"Now we will have to critically think about how we can shape policy. Conventional organization activities are an outmoded way of doing things," he said, "for the People's Democratic movement to preserve its people's movement nature, in every organization we ought to think about what those ways of doing things are."

SNK first secretary Markku Kankaala is of the opinion that more young people are getting into organization activities now than in the early 1980's.

#### An Ace Up Their Sleeves: Children Born in the 1960's

Does the fact that the active participation of students has been noted in both organizations give us some inkling of the future? Children born in the 1960's are now beginning to be of junior college age. How do they feel about their parents' basic values — do they reject or accept them? How do they adjust to school, to the exams required by our university system?

The ways of doing things are not self-evident for the Social Democrats either. Annual mass meetings are no longer necessarily organized. From the standpoint of the future, Kankaala thinks that the form the party will take is uncertain. The parties and youth organizations should change in the direction of a people's movement.

"Young people conspicuous outside the Communist fold would probably be very quickly influenced if the Communists form two parties and if progress becomes visible in the SDP." In his opinion, the SDP would not need a very big change of course to increase its popularity to 30 percent.

"With our present line, support [for the party] is dropping at a rate of 1 or half a percent a year."

#### Young People Are Aware, but Do Not Organize

Suortti's chief allegation is that there is a big discrepancy between young people's political awareness and their channeling of it.

"According to Raimo Blom's class project, young people are the most informed and most active group in terms of changing things, but half of these young people could not say what their political position was. Young people do not find a channel for their need to effect change in political youth organizations, but there are thinking, progressive young people," Suortti said.

"There is a place for radical social action in our society, but it is channeled in a different way than in the 1970's," Kankaala said.

Our lost youth has discovered the SNK's efforts. Written in a feigned schoolboy-like slang, a "Hi, Manu" letter was sent to Koivisto; the subject of the letter was certainly a good one: solidarity with South Africa. A lapel button depicting a drooping penis, produced by the Helsinki district, got a lot of attention. It was a protest against the impotence of politics.

"I don't find anything immoral in this. The button was a bit obscure in terms of its message and it could have been bolder. But our Soviet guests were also interested in it," Kankaala said.

#### Does the Labor Movement Appeal to Them?

In the Construction Workers Union Vappu Lamminen, an insatiable optimist who sometimes laughs at the fact that, since one official takes care of women and young people in each labor union, all the others no doubt take care of middle-aged men, works with young people.

"There is any number of young people desirous of being active. Everything depends on whether we give young people responsibilities and trust them. While we admit that this is so, in practice we nevertheless begin to shepherd our young people when we get into a tight spot," Lamminen lectured us and emphasized that one has to go to a lot of trouble to truly participate in a democracy. It is easier for an official to call for someone to outline the topic and formulate a draft of the public statement. And then to complain about people's passive attitude and draft a public statement against entertainment for the masses.

As an example, he cited how the Kajaani youth conference was organized in the Construction Workers Union.

"We dug out those few young people whom we knew and invited them to the youth conference for organizing purposes. When I got there, they were sitting there twiddling their thumbs and said that we ought to let the union representative there take the floor first, that he would make a proposal. I said that I would not propose anything. I had no ideas. A date had been set, but it was negotiable. They looked at me as though I were a miserable dock worker, as though -- just imagine -- there are characters like this armed with clubs in the federation; but there was nothing to do but to go ahead and get busy with the program.

"The union heads were not invited -- in fact they were forbidden to attend -- not to mention the fact that they would have been asked to speak. The whole affair was handled on the participants' own. The results could have been more noticeable and group efforts more finished if I or some other official had participated, but whom would it have interested?

"The whole affair was handled on the participants' own. The district organizations adopted their own themes: vocational training, working hours, job safety, and sent in their own written reports on what shape things would be in in the year 2021. The reports were stacked together and that constituted the main report of the conference. Only one district organization did not come up with a

report! One hundred and twenty people met in the Kajaani Central Vocational School, said welcome and opened the discussion. I was sweating a bit, closed my eyes and I thought that, if no one asks for the floor, this will be a catastrophe. But immediately 10 hands were raised. A rule was issued that you could not initiate your own motion by explaining it. So the situation resulted in a delegate from Satakunta's asking: What do you delegates from Tampere really mean by that, since I think this is the way things are? Feelings ran high."

#### Political Sanctuary

"I'm annoyed when we foam at the mouth over young people's passive attitude, when we have union locals with thousands of members whose annual meetings are attended by 20 people. This is no youth problem. We ought to think about whether there might be something wrong with this movement, or as Hyvarinen would say: What if this is not a movement, but a standstill?"

"It's not true that young people are antipolitical. They are against the kind of politics that is conspicuous. Young people say that politics is a dirty, grasping power play. During the fall youth course, we rummaged about in politics and, since at first, in our comrades' opinion, there was too much politics in the labor movement, we came to the conclusion that there is too little actual policy-making in it."

Vappu Lamminen said that he has no bad conscience about luring young people into labor union activities, but that how long their views will hold out in union local activities, in which the atmosphere is not a liberated one as it is among young people themselves, frightens him. Although young people are well aware of the advantage of belonging to the labor movement, they recoil from it in operation "since there is that politicking in it."

"When they muster their courage in youth activities and decide to attend the annual meeting, they are asked at the door: Which party do you belong to? They haven't had time to get that far at all. It's the wrong approach to force them to choose so awfully early. In youth activities I avoid a situation in which people have to declare their party preferences. The labor movement ought to be a political sanctuary in which one can quite at one's ease hold to one's own opinion!"

"When a young person makes his most tumultuous choice and chooses a party, his motivation is lofty. The young person also participates. But then where does he disappear to? How is it that we have reached a point where they merely pay their membership dues?"

#### Vocational Trainees Are Active

"The young people clearly see how the system works. The leaders head the union committee, the district secretaries their districts and the chairmen and committees the locals. Business matters are not discussed together, but in groups, and then they vote on them. The young people do not accept this. Just when they have gotten away from the obligation to be obedient in school, why would

they join a union local or youth movement in which once again someone is explaining how you ought to think?

Youth activities in the Construction Workers Union do not constitute a powerful mass movement, but connections have been made. In Helsinki vocational trainees so energetically participate that a whole class may put in an appearance for an event. There have been doubters, but it has been to Construction Workers Union leaders' advantage to give them a free hand to act.

The phone rang and Lamminen was insistent with the caller:

"I don't know whether he's a Social Democrat. He's a good fellow. Damn it, I don't ask them for their party membership cards!"

#### University Politics Less Militant

Helsinki HELSINGIN SANOMAT in Finnish 24 Feb 86 p 11

[Article by Kaarina Jarventaus: "University Student Politics Has Gotten Closer to the Country: HYY Has Drawn Farther Away from the Parties and Is Now Collecting Paper and Composting Waste"]

[Text] Ten years ago university students were improving the world through demonstrations and 5 years ago the University of Helsinki Student Union (HYY) regarded itself as a trade union promoting above all the interests of students.

Now the student union board is in the hands of the independents and the Greens. The world has become more remote and the country closer.

The composting of waste materials, the collecting of paper and the establishment of a residential community that promotes mental health now keep the student union project secretaries busy.

The current student politicians come largely from outside the parties' student organizations.

Ten years ago the newcomers were veterans of the High School Student Union, but as things now stand there are scarce contacts with decision-makers and politicians. This is why they have chosen to apply pressure for the policy they themselves have shaped to replace them.

The Green chairman of the student union board, Tapio Reinikainen, compared the student union's ways of operating with the change in the activities of ideological civic organizations.

It is no longer enough to organize demonstrations and tactics; rather, with scientific methods they try to find the best arguments for taking stands on, for example, waste disposal and energy.

"Now that connections with the parties by groups active in the student union have been lessened, we have been trying to join forces with the government by initiating practical projects which the government would be obliged to enter into," Reinikainen explained.

"It seems to be impossible for the decision-makers to initiate any kind of experimental activities. Nevertheless, we can afford to experiment even under the threat of failure, but we cannot afford not to," Reinikainen reasoned.

#### Ecological Cultivation on Experimental Farm

One of the projects that combines research and application is a farm in Etela-Savo where they are studying natural cultivation and the recovery of rural districts that are being abandoned by developing secondary industries.

So we cannot complain that Helsinki University students are concentrating only on pursuing their own interests.

At the same time, however, the Partala ecological farm offers students of agriculture, biology and geography sensible research projects.

There are six year-round salaried persons on the farm and several more research assistant positions are set aside for students for the summer.

The idea of procuring a farm for research and experimentation came from the student union. Now the rural community of Juva, the Labor Ministry and various agricultural organizations are participating in supporting and funding Partala.

#### Student Waste Broken Up into Compost

The sorting of waste materials is another area in which the student union wants to give social planners practical instructions.

Last winter they got about 600 students living in Viikki to compost their household waste.

The success of the composting and sanitary conditions were closely observed. At the start and at the end of the experiment they studied residents' reactions to the new kind of waste disposal service. Student dorm residents were enthusiastic over the operation and even continued to compost their waste after the experiment was concluded, project secretary Veli-Pekka Pekkola told us.

They intend to present the experiment to the members of the Helsinki Municipal Council in March. When the final results are in, it will be time to get the other student dorms and ordinary apartment houses to apply the lessons that have been learned.

The student union has also put to work collecting cardboard and paper the downtown property offices and businesses it owns. The first attempt flew back in their faces due to overcrowded storage facilities, but a renewed experiment was begun as of the start of the year.

#### Balance in the Community

A community housing experiment is also one of the student union's new projects. Whereas up to now they have sought housing in one place and mental health services in another, they now want to experiment with using students' integral living conditions as a point of departure.

Anyone suffering from some of the common student problems -- for example, shyness, tension or depression -- would have access to a protective immediate environment in which those supportive persons familiar with their problems live.

The city of Espoo has gotten enthusiastic over the idea, but they have not found housing suited to their purpose in Espoo.

The problems of housing and earning a living are inescapably part of the student union's domain of responsibilities. The housing shortage in Helsinki has left many a student without decent housing. Only about 40 percent of the students get into student dorms.

For a long time now the student union has arranged for housing. Last year over 100 students found housing through HYY.

Now the student union is considering starting to itself rent apartments which it would in turn rent to students. HYY would probably have to be a sufficiently financially solid guarantor for many people who do not trust a poor student's ability to pay.

#### Strong Financial Situation Provides Room to Maneuver

On the list of timely projects are also a science traffic to be established as a bridge between knowledge gleaned from research and those in need of it, a rubber university in El Salvador and the organization of an international university congress for peace in Finland this fall. Only a fraction of student union funds is being spent on the implementation of these types of projects.

Valuable downtown properties are the basis of its financial situation, but arranging for 100-million-markka loans also requires sizable sums.

The bulk of operating expense funds goes into the operation of regular activities: wages, the publication of YLIOPPILASLEHTI and aid for the activities of the special interest student and subject organizations.

The subsidiary companies: University Student Support, Gaudeamus and Sable, which sell food, drink, books, movies and computer services, also increase sales volume.

LL.B. Heikko Venho, a long-term student politician who until the end of the year served as student union chairman, stressed the fact that the student union has always succeeded in keeping its business activities separate from its political activities.

"Our financial independence gives students a chance to engage in follies at their own expense," cracked Venho, who has seen many an administrative term.

#### Own Earning Power Is of Most Interest

In Venho's opinion, we can no longer speak of a student movement, but of a stirring about.

With regard to composting and the recycling of paper, Venho stated that the 1970's student movement would never have engaged in such activities.

"Whether these are among the duties of such a student union is subject to interpretation. A student union that had no money would not do things like this," Venho reflected.

The time of rigid, overly political party contingents has been behind us for a long time now. Now one gets onto committees that have appreciable power to draft decisions under the authority of the administration more out of interest in the committee's field of operations than on the basis of divisions of political camps.

In this Venho sees a return to an over-100-year-old student union tradition whereby overaccentuated party divisions after all remain in effect for only about 10 years.

Venho does not believe that a student movement will experience a real rise to prominence before the mid-1990's.

Students' average age has increased since they do not always enter the university directly from their school benches and since periods of time spent studying have been extended. Someone who is in his 30's rarely works up enthusiasm for student stirrings.

"A tendency toward greater interest in one's personal concerns is also evident at the university. Today's students are interested in earning a living during their studies and especially afterward," former demonstrator and present-day bank manager Heikki Venho summed it up.

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POLITICAL

GREECE

KKE'S FLORAKIS INTERVIEWED: PASOK SELF-RELIANCE IMPOSSIBLE

Athens ENA in Greek 23 Jan 86 pp 12-14

/Interview with KKE Secretary General Kharilaos Florakis by Maria Rezan; date and place not given/

/Text/ This man's great weapon is his laughter: loud, frequent and collected. His laughter and his Karditsa accent. ("You see, in our town of Rakhoula, we drop our vowels.")

Journalistically-speaking, only one word suits the KKE secretary general: "pesterer." Three times he got me to go --indeed at terribly early morning hours-- to the "House of the People" in Perisso before he decided on the interview given below. He finally did give me the interview during a fourth visit, this time at his home in Kalandri.

Housewives throughout Greece would appreciate Kh. Florakis' housework. His kitchen sparkles like a pharmacy. No dust or even a speck of dust on his desk. ("And why should there be any? You see, my late wife liked tidiness.")

The telephone rings. The call is from his home town. Some chestnut trees that he used to tend to in his youth had grown old, he says. "Cut them down...What can we do?"

He sat back in his arm chair. The recorder starts up. From that point on the communist party leader changed into a veritable torrent. Inexhaustible. And an excellent debater. In fact, from time to time --always laughing-- he would drop using the plural form ("Does it bother you? It doesn't bother you!")

**Maria Rezan: Mr Florakis, how do you see things?**

**Kh. Florakis:** What things? Those things that people say "what's to happen" or "where will the situation lead to?" Let's look and see: there are some nasty things. There are, however, also some good ones. The nasty things include the policy being followed by the ruling class. You don't want me to use the words "ruling class" perhaps because the people will not understand? Let me then say the establishment. The establishment and the policy being followed by the government. I am of the opinion that a lot of people, who had expected much more from a PASOK government, are disappointed or are losing patience --and that is one problem that we must keep in mind.

The positive aspect is that very many people have decided to fight to have another kind of policy implemented. Not that they believe that PASOK's present leadership can follow another policy but that political rearrangements in the country would be such that another government would come to power to implement another policy to the interests of the people.

Maria Rezan: Where is this shown?

Kh. Florakis: There are such examples. What is now occurring with the trade union movement is not a small matter. We used to have demonstrations in the past. But today demonstrations encompass forces that have views different from those of the Left. This is very encouraging and something that constitutes the cell for a front.....

Maria Rezan: Where are you Andreas to once again say that it's this and that that forms an alliance with the Right.....

Kh. Florakis: Look, those slogans have validity during a limited period of time. At first, seeing a joint action by persons of different political and ideological beliefs, it could happen that they could be deceived by such slogans. At the same time, however, the people see who really forms an alliance with the Right. By chance, didn't Mitsotakis say so just yesterday? Namely, that "now we can sit down and talk with PASOK. The only thing we ask is that it tell the truth and not lies." This is the way things are. The policy being followed by PASOK is pro-West and serves big capital. No one sees substantive differences between what the Right proclaims and what PASOK follows. Some phraseological differences, yes, but substantially nothing more.

Maria Rezan: Two years ago in an interview of yours with Angelos Stangos (in TA NEA), you said that "matchmaking by force cannot be done." In other words, it was as if you were saying that Andreas could not make a go of Change all by himself "but since he doesn't want us...we don't care... What are we to do?" Nevertheless, in the Chamber of Deputies some days ago and also on other occasions it was as if you were insisting on the matchmaking.

Kh. Florakis: No. We say to PASOK: you proclaim Change and at the same time you proclaim PASOK's self-reliance. And we say to you: "You cannot all by yourself."

Maria Rezan: Why?

Kh. Florakis: First of all, what would the other forces of Change do? Will they just read newspapers? Afterwards --logically-- if he really wants Change why does he want to deprive from this endeavor for Change those forces that desire it? Change would come about more quickly and with lesser sacrifices.

Maria Rezan: What does that mean practically speaking? Andreas, give us three ministries?

Kh. Florakis. Not at all! It does mean, however, that we would have come to an agreement on a minimum program for Change. But with foresight. And, above all, with guarantees that we are really moving forward toward Change. We do not rule out measures according to which workers also would have to pay. But officials themselves would first of all and above all have to pay also.

Who has ever heard of freezing wages and not freezing prices? If only the worker would know that he is submitting to sacrifices today so as to live better tomorrow. Now the only thing he has to look forward to is a future that will be the same or even worse.

Maria Rezan: But Andreas says that in 2 years....

Kh. Florakis: No one can criticize Andreas for not saying things nicely. What does he do, however? Tell me, have you ever seen him striking at big capital? Never. To the contrary, he even provides for its support. Can you tell me what they do with loans? I recently read that I don't know how many billions of dollars have been clandestinely sent abroad. (Editor's note: I KATHIMERINI wrote Sunday 1,200 billion dollars).

Maria Rezan: In other words, Mr Florakis, two things (that also constitute a dilemma) can happen to the KKE: either it would be in power together with PASOK --without, however, being able to have an important role-- and would also share losses or it would be where it is now: shoved into a corner. Is there any other way out for your party?

Kh. Florakis: Of course there is. It is not necessary for the KKE to be in the government. Not that we decline. Of course, it suffices that the program of this government be a program for social progress. If, however, we do not succeed this does not mean that we will be shoved into a corner. To get into a corner we would have to disavow our role. And so long as we stand strong on our principles what does "get shoved into a corner" mean? We are fighting to have the conditions about which I mentioned to you before come into being.

Maria Rezan: Regardless of what can be done (except in 1958 when EDA /United Democratic Left/ got 25 percent of the vote), the KKE fluctuates always around 11 to 12 percent of the vote, right? It has not gone beyond that.

Kh. Florakis: I would like to ask you a question. There have been many parties with 12 percent of the vote. Did these parties have the same importance as the present 10 percent of the communist party? Don't measure the importance of the communist party only with electoral results. Let the people struggle and let them vote PASOK.

Maria Rezan: How is that? Weren't you distressed that this happened in the last election?

Kh. Florakis: We were unhappy. But we are now in a position to explain it. First of all, the electoral system played a role. And to those who say that we are working with the Right I answer as follows: who collaborated for the electoral system? Who will sustain the Right? Florakis or Andreas? Andreas, with mathematical accuracy. The entire philosophy of bipartisanship supposes that some point it will be New Democracy's turn. Afterwards, also playing a role was our own inability to convince the people that there is no danger in the Right's coming to power.

Maria Rezan: When that electoral law was proposed you asked to see Karamanlis. Would it be too indiscreet to ask you what you told him?

Kh. Florakis: I told him this. That it is not possible for a government to come out and introduce this law and to call it "an electoral law for the proportional system." I even told him that a government is not authorized to say that the system is proportional and the most democratic, thereby deceiving the people.

Maria Rezan: And what did Karamanlis tell you?

Kh. Florakis: He didn't answer me. Karamanlis, of course, agreed on certain issues. I remember him telling me, "They are all systems...." Something like that.

Maria Rezan: You regularly criticize --and who can say you are wrong about doing so-- "the impermeability of power" --impermeability in the army, security corps, everywhere, in fact. But another whole group of people believe and are afraid that impermeability also exists in your own party. On a large scale. What is called the "fanatically religious zeal of communists."

Kh. Florakis: Besides propaganda and speculation made on this matter you should not forget that the communist party had been illegal of many years. So, it was necessary to keep many things secret just from a self-preservation standpoint. When the communist party is legal then it has no reason to have any imperviousness. Nothing hidden. To the contrary, we are today fighting to popularize the policies of the political parties among the broad masses. And that is one of our weak points. Our ties with the people are not what they should be. We should have been able to say it better: what we believe, what methods we are following, how we visualize a socialist society. Thus, great speculation ensues about us as well as on the issue of freedom and the issue of many parties.....

Maria Rezan: And yet, Mr Florakis! The big majority believes that if you were to come to power "slow now that we have been able to express ourselves freely."

Kh. Florakis: This is said by those people who today debar even Rezan and many others from having a voice. So, I assure you that you will be able to speak... You and all those who are today forbidden to do so. Indeed, we are going to get rid of those who are today forbidding you to speak. We are going to broaden all those freedoms that men have acquired in societies. Look, tell me now, what kind of freedom does a person who has reached a point of exhaustion have? And he makes 10 repents so as not to lose the bone thrown at him! When, however, he has satisfied his hunger and has acquired a personality, then he would acquire real freedom. Do you understand? (He laughs and then adds in a conspiratorial manner) Who knows, I might even entice you over to the party!

Maria Rezan: There is one thing that separates me from your party but it also resembles a chasm. I want, regardless of how crazy I am or regardless of how many crazy people there are, to be able to speak my mind. In all the years of my life I have not been convinced that I would be able to speak my mind under a communist regime.

Kh. Florakis: Ah, now I want you to believe me when I say that we are waging a struggle so that party members might express their opinions. Of course, it's one

thing to express my opinion and another to want to impose it in an anti-democratic fashion.

Maria Rezan: However, Mr Florakis, I have never seen even one opposite opinion expressed in RIZOSPASTIS. Once, sometimes, one bit of criticism.....

Kh. Florakis: But for whom will we do it? Why? Are we the ones to give examinations to a bourgeois regime? Come over to one of our meetings some day and you will rub your eyes! To hear much more than what you observe about RIZOSPASTIS. But to put our wash on the balcony? Why? So that Mitsotakis might tell us "Bravo?"

Maria Rezan: Perhaps you don't have any reason to give examinations to Mitsotakis. But to people who vote for Mitsotakis because....

Kh. Florakis: We are devoting all our efforts to them and we are discussing. But I told you before that one of our weak spots is the fact that our ties with the masses are slack.

Maria Rezan: And yet I hear and read about "the KKE's new language."

Kh. Florakis: There is no new language. The KKE's language also evolves. I cannot, for example, the way you see me now, go around wearing a construction worker's outfit and portray the proletariat. At one point, yes.....

Maria Rezan: Mr Florakis, I don't want to bother you and also I don't want you to get angry with me but I wanted to ask you why you have given the KKE the portrait of the most dogmatic communist party in Europe --perhaps together with the Portuguese Communist Party?

Kh. Florakis: What does prevail is that we are firmly dedicated to the principles of Marxism and Leninism. We do not backtrack. Our opponents grab hold of this and stick the label "dogmatic" on us.

Maria Rezan: Not only that. But why, perhaps, don't you admit even one error regarding what is happening in the eastern bloc?

Kh. Florakis: What topic should we criticize? Gorbachev's proposals for peace?

Maria Rezan: Ah, OK, now...This is not the only thing. Anyhow...Really, I've always wanted to ask a communist leader (and here is my opportunity): have you read all of the works of Marx, all the works of Lenin? All 24 volumes, how many are they?

Kh. Florakis: I don't know if it would have been a good thing to have read them all (he laughs). Listen, I read and resort to them when there is a problem. Here, look and see their works in the library. Do you see them? I don't have them just for the show. However, these volumes that I have put aside separately --you see them-- it was when I was searching the other day to see what was said about alliances. To see how these classics confronted the problem of alliances. Because this issue is of interest to us these days.

Maria Rezan: But 68 years have passed since Lenin and 100 since Marx.

Kh. Florakis: When we read and study them, that does not mean that we also imitate them. Despite the fact that there are certain ones that stand up to time. Just as Marx used to say, "Anything human is not foreign to me."

Maria Rezan: Marx had also predicted the end of capitalism. Where is it?

Kh. Florakis: Did he say that it would take place in 5-10 years? It could take place in 200 years. Stalin used to answer this by saying, "If a floundering ship has a compass it will surely reach port at some point with the aid of this compass."

Maria Rezan: And yet a drop in the communist party's strength throughout Europe is being observed (in Belgium not even one deputy was elected).

Kh. Florakis: When socialist parties come into power a drop in the communist parties is noted at first.

Maria Rezan: In other words, speaking the electoral language, the big opponent of the communist parties is socialism?

Kh. Florakis: No, don't take it that way. From the very outset we have attempted to move along with it to make changes but...

Maria Rezan: At what point did you tell yourself that PASOK had sprung a leak?

Kh. Florakis: We have always had serious reserves. But the thing is to have proof. If I had come out in 1981 to say so who would have believed me?

Maria Rezan: As you can understand, in this kind of conversation we cannot omit talking about what is happening with the other communist party, the Interior. They are changing a lot of things...The title has changed...In this matter you beat it.

Kh. Florakis: I don't think that it is a question of our victory. Neither did they do it because we wanted it. They saw that it was a losing battle since 1968. And they are seeking to find what would correspond to reality. We are observing. We are not getting mixed up with it. It is a fact that criticism continues but it does not have the nature of polemics. This is a good thing.

Maria Rezan: When are you going to sit down and have a glass of wine with Leonidas Kyros after so many years?

Kh. Florakis: The issue is not when we will drink wine. The issue is when the forces of the Left will be able to go all together into this battle against...

Maria Rezan: It's time, Mr Florakis, to tell me "against the multinationals." because whenever there is a communist speech, even in a discussion about the constitution, your party will always have something to say about multinationals. Look, I have not been to the eastern countries.....

Kh. Florakis: You should go. I'll take you there some day.

Maria Rezan: We'll talk about it. But now I'll tell you this: I've heard that the Coca Cola Building is located at 1 Karl Marx Street in Moscow.....

Kh. Florakis: And so? Are we against foreign investments? We say foreign investments on equal terms. You'll get something and I'll get something. Not, however, as is being done by the Pechiney firm in Greece. Here, foreigners are sucking our blood.

Maria Rezan: Ah, now that our economy is in such a deplorable state should we go out begging to discourage them?

Kh. Florakis: No. We agree that private initiative should be encouraged. However, we do not agree to exemptions from taxation. Investments should be encouraged but with guarantees. We do not accept that these companies, the "socialized ones" (in quotes) and to reduce them.....

Maria Rezan: Why is socialized in quotes?

Kh. Florakis: Ah, what does socialized mean? I am not too well educated but I would like somebody to explain to me what this word means. In any case... Socialized so that one or two from the corporation might participate just for the show? And to be appointed to these firms with kickbacks? I do not accept this... Look, there should be a cleanup of the public sector, otherwise nothing is accomplished.

Maria Rezan: You unquestionably conducted an irreproachable pre-electoral campaign both as to style and manner. And yet a certain newspaper, allegedly PASOK's, has always been after you. It also says that you have problems with the party and that you should leave and go home...

Kh. Florakis: So long as that newspaper curses me, I, in turn, tell my people that everything is OK. When it stops cursing me then I'll begin to worry.

Maria Rezan: I recently read in RIZOSPASTIS a very strong critical report on the New Year's message by the president of the republic. Namely, that it was partisan, pro-PASOK. Tell me, Mr Florakis, with your hand over your heart: are you satisfied with the current president of the republic?

Kh. Florakis: It is not more of an issue of personality....It is more about what powers he has. And that is what weighed on our decision.

Maria Rezan: Ah, it weighed and "we won't see, we won't listen to Karamanlis,"

Kh. Florakis: No! We were sincere with Karamanlis, from the very outset. We said, if we weren't communists he was the best for the bourgeois class. I told him this personally when I met him. And it seems as if he appreciated the fact that I told him sincerely how we looked on him. Now, with regard to the revision of the constitution, PASOK itself is mutilating it.

Maria Rezan: But you will vote for it....

Kh. Florakis: I don't know what we will do. That will depend primarily on Article 48: the one that refers to the proclamation of state of siege in the country. If the criteria are not determined, i.e. what do we mean by internal security and the rest, this could weigh on our vote and on the overall revision. What do you want? Will we let anyone who wants to proclaim military law over just an overall panhellenic strike?

Maria Rezan: The taxi driver who brought me here told me to ask Kharilaos Florakis where we will be at the end of 1986 because he sees things black.

Kh. Florakis: Tell him that he has petty bourgeois anxieties. At any rate, we do expect worse days. Nevertheless, we will have a lot of political fermentation and many political rearrangements. Ah, tell him also that nights are pregnant, as they say in my home town. And you don't know what they will bring forth tomorrow morning.

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POLITICAL

NETHERLANDS

EDITORIAL VIEWS RESULTS OF LABOR PARTY CONGRESS

Rotterdam NRC HANDELSBLAD in Dutch 17 Feb 86 p 9

[Text] A Subdued Congress

In Amsterdam the 3-day Labor Party Congress on elections tried its best in a fairly subdued way to avoid disturbing the current image of a party that is united in seeking a place in the cabinet. The decisive and quick way in which party leader Den Uyl and party chairman Van den Berg squashed a somewhat deviationist media study done by the party's think tank last week, made it very clear that internal party discussion is not their first priority at the moment. But even a subdued Labor Party Congress is a Labor Party Congress. At times the congress knew how to upset the party leadership. This was true, for example, during the debates on linking wages and benefits, the demand for the closing down at an early date of nuclear power plants, (further) cuts in the defense budget, and the relationship between public and private education.

In fact the Second Chamber CDA and VVD party leaders latched on to those examples and promptly included them in their first critical comments as constituting damaging evidence against a future coalition with the Labor Party. They see these as additional obstacles to the existing cruise missiles problem and the issue of cuts in government expenditures.

Of course, during elections such a reaction can be taken with a grain of salt, but they do underline once again what all socialist congress delegates already know: that the present government parties will only consider a party coalition change if the election results of 21 May force them to do so, and then, only reluctantly. Those who heard the speeches made by Labor Party chairman Van den Berg and party candidate Den Uyl could detect that the political aversion is mutual.

The speaker who announced that NATO membership in the district of Rijswijk is "still a very hot topic" detected that, under the circumstances, the congress was less enthusiastic than he would have hoped. It was different with the paragraph on nuclear weapons, [a topic] on which the congress and party leadership held quite a discussion on how to absolutely reject cruise missiles deployment in 1988. That this discussion about missiles, at the same time would point out the issue of whether the Labor Party will enter the next cabinet with great difficulty or with extreme difficulty, did not disturb the congress. On the

contrary, Soviet leader Gorbachev's recent proposals to negotiate the removal of cruise missiles, Pershing II and SS-20's from Europe, gave many Labor Party members hope that the missile deployment issue which could be a barrier to a coalition would be removed in time. After all, it would be "insane" to insist on missile deployment in the Netherlands or to sign a treaty on this when there is a change in the international situation, the congress reasoned.

It is a fact that the Labor Party later this month with renewed energy will try to persuade a majority of Second Chamber members to reverse their 1 November 1985 decision in favor of missile deployment, or at least call on [them] to defer approval of the treaty with the United States on missile deployment. The discussion could then center on, among other things, the question of whether the Soviet leader had made his proposals in spite of or because of the deployment of new nuclear missiles in Western Europe. Or, in other words: on the question of whether the second part of the NATO dual decision of 1979--the mutual relinquishment of new nuclear weapons--only seems to arise now that the first part--the tentatively announced deployment of such weapons on NATO's side--is actually being carried out.

If the government parties keep answering this last question in the affirmative, as they have been doing since the June 1984 decision, the Labor Party's chance of joining the coalition remains quite slim. Whether the deployment of cruise missiles at the Woensdrecht base will come about in 1988, a possibility which is increasingly likely, is being decided between Washington and Moscow in Geneva. It would indeed be tragically anticlimactic for the Labor Party in a future opposition role in a second Lubbers Cabinet, to hear that cruise missiles deployment in the Netherlands is no longer necessary because an arms control agreement has been reached in Geneva.

In a way, party candidate Den Uyl anticipated the future in his final speech to the congress on Saturday by announcing that ex-FNV [Netherlands Trade Union Federation] chairman Kok will be his successor. Since Mr Kok still has to be formally nominated in the Second Chamber (next month), the congress, with a big cheer, agreed that he "at a proper time and in an orderly way" should take over the leadership. That was a very unique procedure, given the way succession questions have been handled up to now. Actually, the issue was settled in an orderly way on Saturday, but the proper time could well be determined by the voters on 21 May. The Labor Party, in any case, is quite ready for the campaign, its program has been decided on, the party candidate has been chosen, and even his successor, as party chairman, stands ready.

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CSO: 3614/66

POLITICAL

NETHERLANDS

COURT RULES ON INTELLIGENCE AGENCY SECRECY

Rotterdam NRC HANDELSBLAD in Dutch 4 Jan 86 p 3

[Article by Anina Pennders: "Intelligence Services Must Comply With Disclosure Act"]

[Text] The Hague, 4 Jan--Intelligence services must comply with the Administrative Disclosure Act just as other government bodies. Requests for information concerning the files of the Domestic Security Service (BVD) cannot be rejected in advance by the minister by invoking state security considerations. Material can only be refused based on a clear assessment of the requested information.

All of this follows from the pronouncement made this week by the Council of State concerning a disclosure dispute between the HAARLEMS DAGBLAD and the minister of home affairs. Last fall, the newspaper instituted a rush lawsuit against Minister Rietkerk in order to gain access to the BVD file on the King Kong affair, a double spy from the Second World War about whom material is regularly published in the academic and popular media. The request for information, which was submitted by the newspaper in September 1984, was rejected by the minister after a year of consideration.

At the hearing at the end of November, Home Affairs, represented by the head of the BVD, Mr P. de Haan, presented the main argument: The Administrative Disclosure Act (WOB) is not applicable because all BVD files are covered by the Protection of State Secrets Act. According to De Haan, they can only be examined by authorized persons in the interest of the state.

None of this remains intact in the pronouncement of the Council of State: the designation of the BVD office as a "forbidden place" and the Protection of State Secrets Act have no significance to information requests, but instead apply only to the criminal protection of secret information.

Security

The initial primary grounds for refusal--the security of the state--was more relevant. According to the Council of State, however, this provision of the WOB was unjustly invoked for the entire King Kong file. The jurisdiction division of the Council of State examined the file and concludes that it

"contains several documents from which it is evident that the disclosure of these documents in the year 1985 in and of itself cannot damage the security of the state." The fear that agents and informants will be less enthusiastic about working for the BVD if documents on the special King Kong case are made public was not recognized by the jurisdiction division. Much has indeed already been published, and a great deal more would have come out if the man had gone to court and had not died prematurely.

Certain documents do have a chance at qualifying for secrecy in the interest of state security. "This will require stated reasons, based on the contents of the documents, for the existence of the danger of a detrimental effect on security and the state." Thus, the agency must clearly "include" the secret document in the justification of refusal.

The minister of home affairs was in fact reeled in on all points by the judge. The importance of the secrecy of the "modus operandi" of the BVD, an important point in the presentation by Mr De Haan, was not mentioned in the pronouncement. In short, doubts about agents and informants are secondary to the issue of disclosure of an old case. As was the case with the Tax Office, the BVD as well will perhaps have to deal with curious people targeting the entire set of files at once. A small file of rejection decrees based on "content" and a handful of lawsuits could in this way provide in a year a good inkling of the way in which at least one agency reacts.

Fortunately for the BVD and a number of other government bodies, there is an entirely new WOB on the way that makes effecting "disclosure" somewhat easier. According to these plans, voluminous files no longer need to be sifted through to find those documents that are to be surrendered and those that are not. In such a case, the requester will have to be satisfied with oral information or copies from the file.

12271  
CSO:3614/52

POLITICAL

SPAIN

PCE'S IGLESIAS DISCUSSES COMMUNIST 'INTEGRATION'

PM041129 Madrid MUNDO OBRERO in Spanish 20-26 Feb 86 special supplement pp 2-15

[Address by PCE Secretary General Gerardo Iglesias to the PCE National Conference in Madrid on 15 February: "Central Committee's Report"]

[Excerpt] III--Concerning the PCE's Regeneration and Recovery

So far I have mainly discussed the two politically most significant deadlines facing the party--the NATO referendum and the electoral processes to be held in the last half of this year. And so we come to the final part of this report, in which I will concentrate on what is a permanent task and endeavor in our daily work--the situation in the party today, with some observations about its recovery and some of the main obstacles to it.

These considerations are necessary for two reasons--because major advances have been achieved which should be observed and recognized by the whole party, not to seek complacency but to lay the foundations for the future. It is also necessary to identify shortcomings and deficiencies in order to overcome them.

At the 11th Congress we set, among others, the following objectives in connection with the party, its internal operations, and its political practice.

--The thorough democratization of internal life, creating a real collective leadership and facilitating the development of creative capabilities on the basis of the free expression of ideas and the settlement of disagreements.

--In keeping with the party's Marxist-revolutionary character, and as a fundamental part of its activity, again beginning work within society in order to organize and mobilize it, thus providing an active role for all citizens in drawing up a new blueprint for life. And, to this end, to provide the party with a new approach to its relations with the social organizations and movements and to their role, based on respect for their autonomy and the recognition of their leading role in building a new society.

--Gradually to eliminate the flag-waving adherence to "absolute truths," replacing it with a greater capacity for formulating proposals, a predisposition to debate, and receptivity to criticism, not only inside but also outside the party.

--To eliminate from our political stance any improper use of tactics and any attempts to disguise a clear-cut left-wing, Marxist, and revolutionary image of the party. We believed, and still believe, that we must win credibility for our blueprint as it is, since any attempt at "dilution" will either cause confusion, if it is merely apparent, or will distort it, if it is real. In the recent past irresponsible tactics and dilutions have caused the PCE too much harm.

These are all essential preconditions in the society of our time to achieve the integration of a great PCE of all communists and so that the party can be an effective tool in the coordination of a blueprint for "the revolution of the majority."

So we can say, 3 years after the 11th Congress, without any concessions to complacency--on the contrary, admitting from the outset deficiencies, shortcomings, and serious obstacles--we can say:

First, that we have to a large extent overcome the personalisms and splinter group tendencies within the party in favor of integration in a more collective endeavor. The "leadership team" allows for a much broader individual role than in the past. And the leadership as an "apparatus," so to speak, is now considerably less interventionist than before. Relaxed debate and the settlement of disagreements are a factor gaining considerable support every day. All this, with a party leadership at all levels that is not monolithic but pluralistic.

Second, work within the mass organizations and movements has recovered considerably. Apart from work within the trade union movement, where we have always been most involved, the party has established considerable representation and activity in the peace movement, and in particular our involvement in the struggle to extricate Spain from NATO has been very prominent. Overall, there is now a tendency throughout the party to greater interest in working to encourage all social groups.

And that is not all. There has been a general and very considerable change in the party's relations with the social movement and in its attitude toward them--an attitude of respect and encouragement of their autonomy. There has been a positive change in the party's attitude toward all the forces of the left for change. All this has helped greatly to boost social mobilization and unity of action.

Third, the party has on the one hand properly homogenized its arguments and on the other adapted them to new times. We have all freed ourselves of verbal radicalism and aloganeering in favor of reasoning and precise alternative proposals.

The alternative blueprints for the economy, for freedoms and the democratization of state and society, and in foreign and defense policy are expressions of a certain recovery of the PCE's proposal-making capacity. But this tendency is making headway not only in the Central Committee; the style of work is changing considerably in various parts and organizations of the PCE.

Fourth, the party has been eliminating throughout this period any concessions to a false and diluted image. We took an active part in the 20 June general strike, without expressing any false reservations. We have regained positions in defense and foreign policy, in antiterrorist and domestic policy, and in economic policy--for instance, by openly proposing a process of nationalizing banking. We have reappraised our relations with all the world's communist, revolutionary, and progressive parties on the basis of a more modest and objective stance. The improvement and extension of our international relations is a fully verifiable fact.

Fifth and last, all the foregoing enables us to state that the regeneration process is advancing. So is our recovery, I would add. Of course it is insufficient, but we are forging ahead.

Life and work throughout the party have been restored to normal. We must not forget in this connection that when we held our National Conference a year ago organizations as large as those of Madrid and the Valencian Country, among others, were still grappling with great internal conflicts. Their activity within society was virtually at a standstill.

The recovery of party members and cadres is considerable and, above all, the disaffiliation trend has been completely reversed. I decided not to weigh down the report with facts and figures but the various parties and the Organization Secretariat can provide specific data to back up these claims.

Our active involvement in the 20 January general strike and in the movement for peace and Spain's withdrawal from NATO, the Communist Party of Andalusia's intensive activity in connection with the Rally for Andalusia, the splendid activity on this occasion of Dolores' 90th birthday, not to mention our chairman's own drawing power...these are all elements that point to the party's recovery.

Despite the greater freedom of expression of ideas, during this period we have had no political disagreements that could challenge party unity. The party generally and collectively identifies with the direction of the organizational work and with the policy that we have been carrying out. Now we really can talk in terms of unity within the party, with a diversity of opinions.

The party has succeeded in attaining this new situation by recovering its self-confidence in a frankly unfavorable situation which I do not need to describe and with a shortage of resources--primarily economic--which we have been overcoming, not without great difficulties.

This means that from now on the chances of developing and accelerating all these positive trends are much better.

My aim in this part of the report has not been to make an overall assessment of our performance, which we proposed omitting for reasons of political opportuneness. As I have already indicated, my aim was simply to draw attention to some of the notable achievements for the sake of information and as the necessary basis for encouraging the development of these positive trends and gains.

I would now add that all these positive aspects are, of course, counterbalanced by shortcomings and limitations. I will mention only those that I consider most obvious and important. In most cases I will do so as briefly as possible --let us say, as a reminder that they are issues that we must broach more thoroughly in the near future.

--There is a preliminary issue of huge importance to the consolidation and completion of an entire blueprint for a renewed party of transformation, namely, the necessary debate on the new Program Manifesto. Other imperative tasks have caused us to postpone it. We must conduct this debate immediately after the general elections.

--The party's anxieties about women's problems still represent one of the vaguest areas of our policy. The thorough tackling of this issue is another challenge that we have not yet taken up.

--We have stepped up our relations with the Spanish Communist Youth Union, becoming more sensitive to its needs; we have given greater emphasis in our deliberations to concern with young people's problems. But the party still faces the challenge of formulating a more far-reaching policy that will enable us to make a greater impact in this most important and unique sector of society.

--In a different context there are two other issues that I would like to mention:

1. The weakness of our means of communication and of debate with society. Information and debate activities must be stepped up by means of public events, contact with society. A new boost must be given to the distribution of MUNDO OBRERO and NUESTRA BANDERA. In the medium term we must examine further initiatives to improve our means of communication with the public.

2. Finance is another area in which improvements are needed both qualitatively and quantitatively. What I mean is that our sources of finance must be enlarged. At the same time it is necessary to increase people's receptivity to a rational and supportive approach to administration in accordance with our party rules and regulations.

Despite these deficiencies and shortcomings in our work and our political and theoretical formulations, the main obstacle now facing the party and party policy lies in a negative social image that we have not succeeded in overcoming.

The reality of the PCE within and the image of the party held by the man in the street are radically different. Of course it is not going to be easy to reverse this situation.

Be that as it may, how is the problem to be tackled? A greater effort must be made throughout the party to improve our communication with society through the media and the public media as a whole. But certainly what will eventually best succeed in overcoming this negative image is overall steady and intensified work along the line we have been following--including a resolute policy of integration of all communists into the PCE. Always on the basis of strengthening

the PCE, of not accepting false approaches to unity--those of a merely elector-alist nature--the party and all its members must be very receptive and open to this issue.

In order to ensure a bold policy of facilitating the integration of all communists into the PCE, we will continue our deliberations on this matter after the referendum.

We know that the party is very sensitive to everything to do with unity. We know that the party wants clear information about particular reports that have caused confusion. We will provide all the necessary information in this regard. But for the present we will concentrate our attention on something more important, partly with a view to increasing the unity of communists and of the entire left for transformation--the referendum battle. This is the main battle for the present. We will win it. We can win it.

Comrades, we can begin and end this annual party conference by saying that the PCE has surmounted the worst part of the test to which we were subjected following the 1982 election defeat, the crisis over the loss of membership, and the crisis in our social and political representation and credibility.

The party has regained enthusiasm in its work and confidence in itself. Without vanity or boasting, but with modesty, we can say that we are moving in the right direction--the direction of addressing society rather than ourselves; the direction of the deliberation and debate of ideas, taking into account all the ideas of the left rather than absolute and unique truths; the direction which we ourselves chose, as Marxist-revolutionary communists; the direction of the radical transformation of society, without futile factionalism or concessions to our adversaries' pressures or to maneuverings.

At our 11th Congress we made a pledge to the PCE's regeneration and recovery. We wanted a regenerated, but communist, party. And we are moving in this direction. We will continue to advance in this direction.

I have never had any doubts. Neither have you, I know: This party will forge ahead. We are forging ahead. The forces of transformation in Spain need a strong Communist Party in order to develop and to perform their role. Democracy itself requires it. We are part of our people, our roots stretch as far back as the workers movement itself. Our beliefs are inspired and supported by the finest men and women of the workers movement. Our chairman, Dolores, is an example of this.

Go to it!

/8918  
CSO: 3548/31

MILITARY

DENMARK

SDP'S DAMGAARD, OFFICERS COMPLAIN ENGELL POOR DEFENSE PLANNER

Scholar's Study Cites Criticism

Copenhagen AKTUEL in Danish 15 Feb 86 p 12

[Article by Peter Bergen: "Sharp Criticism of Danish Defense: Armed Forces Shriveling--Without Planning"]

[Text] Copenhagen. Planning of Denmark's defense has seldom been as poor as today. And the circle of politicians with real influence on the armed forces has shrunk to two persons.

This assessment comes from Modern Times Historian Nikolaj Petersen of Århus University. It is shared by those officers and employees at the Defense Ministry whom AKTUEL spoke with at a conference regarding "Defense and Society" at which Nikolaj Petersen presented his study of "The Defense Policy Process in Denmark."

Engell Lacks Strength and Breadth of Outlook

Several think that the main reason for the dishonor is that Hans Engell (Conservative Party) was called in from outside to the post of defense minister, and as the youngest man in the government and one without political or administrative experience he has not had the necessary strength and breadth of outlook.

During the negotiations in 1984 regarding a new armed forces compromise, Hans Engell showed very little interest in the opinions which groups in the armed forces presented, just as he was also not particularly interested in negotiating with representatives of those parties with which the compromise was to be entered into. However, he could not get around the Social Democratic Party. The result was, according to Nikolaj Petersen and others, that large parts of the compromise were entered into in private between Hans Engell and the Social Democratic Party's defense policy spokesman, Knud Damgaard.

## Problems of Interpretation

But the armed forces can plan on the basis of not even this compromise. It established how much money the armed forces are to have. But not how it is to be used.

Nikolaj Petersen: "The implementation of the existing armed forces compromise has been and is still characterized by considerable problems of interpretation between the government and Social Democratic Party; for example, regarding the distribution between draftees and regular personnel."

There are reports of insecurity and uncertainty from enlisted privates to officers. The uncertainty has made the army simply not accept enlisted privates. For this reason the army's fighting force today is short about 700 enlisted privates, and the Life Guard, for example, has had to do away with a whole company.

## Planning Dead

Nikolaj Petersen does not believe in an improvement: "Planning functions have been assigned lower priority both in the ministry and Armed Forces Command. In the ministry the planning unit died a quiet death, and the long-term planning group at the Armed Forces Command has been abolished as well. At the same time the plans for a proper planning staff have been shelved, among other things, because of resistance on the part of the ministry."

An independent advisory and analysis group was established in 1984 in accordance with Social Democratic demands. Directly under the minister and independent of the armed forces leadership. The group was to be a critical panel of experts opposing the Armed Forces Command's initiatives and was to assist the defense minister and other politicians with separate analyses and proposals.

The group has hardly had a major effect, Nikolaj Petersen believes. It must deal only with the consequences of arms technology developments, it numbers only six people, three of whom are military men, and its status is unclear. In addition is the fact that the group got the worst imaginable start: Neither the government, the government parties, the ministry nor the Armed Forces Command wanted it established, and this cannot avoid influencing its effectiveness.

## Bureaucracy and Rigidity

The biggest effort to get longterm planning in the armed forces was made by Poul Søgaard (Social Democratic Party) when he was defense minister. Søgaard's efforts did not bear fruit, both because of lacking political interest and, as Nikolaj Petersen puts it: a bureaucratic Armed Forces Command's lacking ability to free itself from organizational inertia and its excessive respect for "well-earned rights," among, for example, the individual services.

Nikolaj Petersen: "Poul Sogaard's intention to create an objective well founded basis for a political discussion of alternatives for the hereditary armed forces structure was paralyzed by rigidity, both in the political and military system."

SDP Defense Spokesman Attacks

Copenhagen AKTUEL in Danish 17 Feb 86 p 5

[Article by Peter Bergen: "Knud Damgaard Regarding Planless Armed Forces: Engell Using Wrong Advisers"]

[Text] Copenhagen. "I have the impression that Hans Engell has bad advisers in the Defense Ministry."

There are good advisers in the ministry, but Hans Engell is using the wrong ones.

The Social Democratic Party's defense policy spokesman, Knud Damgaard, says this in a commentary to AKTUEL's report on planlessness and uncertainty in the Danish armed forces.

Together with Hans Engell, Knud Damgaard is given the main responsibility for the last armed forces compromise. But Knud Damgaard renounces responsibility for the fact that planning has not been given a bigger role at the Armed Forces Command.

"During the negotiations regarding the armed forces compromise there was a proposal for longterm planning and resource management. According to the motion, which came from the former armed forces chief of staff, G.K. Kristensen, this planning and management were to be put on the highest plane, directly under the chief of staff of the armed forces. I insisted on this arrangement, but came into a minority, and it could not be carried through. G.K. Kristensen was succeeded by S. Thieae, who moved the planning group down to a plane where it would not gain influence. And this was the outcome. Now planning functions have slipped totally out of the picture," Knud Damgaard says.

Last Saturday AKTUEL cited excerpts from Modern Times Historian Nikolaj Petersen's analysis of the lacking planning and management in the armed forces. Knud Damgaard agrees with most of the analysis, but does not share Nikolaj Petersen's pessimism with regard to the future. In contrast with the historian of modern times, Knud Damgaard puts great faith in the advisory and analysis group which was established in the Defense Ministry in 1984. In accordance with demands from the Social Democratic Party.

"With my knowledge of the group's members I am certain that it will produce a piece of work which will play a decisive role when there are to be negotiations concerning a new armed forces compromise. Yes, perhaps before at that. If the Social Democratic Party, among others, insists that the group's

analyses and proposals be used, then it will not be possible to get around it," Knud Damgaard says.

#### Noncom Shortage Seen Result

Copenhagen AKTUEL in Danish 17 Feb 86 p 6

[Article by Peter Bergen: "Army Short 700 Enlisted Privates--But Does Not Want to Take On New Ones"]

[Text] Copenhagen. The Danish army is short 600 to 700 enlisted privates, and the army's fighting force is steadily diminishing. This is one of the consequences of the confusion and lack of planning which prevail in the Danish armed forces (AKTUEL on Saturday).

As trained professional soldiers, often specialists in the operation of complicated weapons or equipment, enlisted privates are the backbone of the standing readiness force. The shortage of 600 to 700 men out of 4900 enlisted privates is far more severe than if it concerned called-up draftees. It is also contrary to the armed forces compromise.

Aside from several women for an experiment with women in the combat troops, for almost two years not a single enlisted private trainee has been taken on in the army. All the same the Armed Forces Command denies that there is a question of a hiring stop. Several vague explanations are given officially:

"At the moment there is restraint in new appointments because a change in the army's structure is expected." (Colonel R.G. Alstrup, Vordingborg Barracks).

"Because of imminent structure changes, for the present, restrained in appointment of regular personnel" (Major P. Gerskjold, Personnel Mobilization Office, Eastern Provinces Command).

The Army Enlisted Privates and Corporals Union (HKKF) recognizes that the changes in the army have not been stipulated. But it rejects the fact that it is possible to continue to let the enlisted privates force shrink.

HKKF President Svend Erik Larsen: "If people are hired with shorter contracts there will be no risk of getting to have more enlisted privates than are needed. Today everything has been suspended--apart from a change: No more enlisted privates are being hired. And this is contrary to the armed forces compromise's resolution to the effect that effort readiness must not be weakened."

The enlisted privates are afraid that the undermining of the strain of regular personnel in the army is an attempt to introduce a never passed so-called "Plan 90" through the back door.

Svend Erik Larsen: "The hiring stop is an expression of a covert implementation of a rough outline of the armed forces chief which was rejected by the

politicians in the 11-man committee which monitors the armed forces compromise. The outline contains plans to reduce the regular personnel considerably and to call up more draftees instead. The army's standing readiness force is disappearing and its role will be the training of mobilization units. Only the navy and air force will be ready for an immediate effort without mobilization."

Ole Søndergaard, who was HKKF's representative at the negotiations regarding the implementation of the new armed forces compromise, thinks that "Plan 90" is about to be wangled through. For this reason the armed forces leadership is not busy with getting established how the compromise will be implemented in practice.

In a political agreement in August of last year it was decided to appoint a committee which will analyze the use of draftees. This committee has not yet begun its work.

There are only two years to the next armed forces compromise. Without its being clear what the last compromise means.

Svend Erik Larsen: "We are now so far along in the present compromise term that all plans regarding changes in the make-up of the army can just as well be postponed to the negotiations regarding the next compromise. The present uncertainty is not to be lived or worked with."

8831  
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MILITARY

DENMARK

NAVAL CAPTAIN: DENMARK DEFENSELESS AGAINST MINISUB INTRUSION

Copenhagen AKTUEL in Danish 28 Feb 86 p 7

[Article by Peter Bergen]

[Text] Copenhagen--Denmark has no electronic equipment to reveal the presence of the minisubs the Soviet Union is known to have lying in wait in the Baltic Sea.

And our defense system lacks the weapons that could combat the new threat on the ocean floor. This observation was made by Navy Captain Paul Bjorn Sorensen in a thorough review of the minisub threat which was published in TIDSSKRIFT FOR SOVAESEN.

Water Too Shallow

The most important defense against submarines in inner Danish waters is the fact that Danish waters are too shallow for submarines to operate here in a submerged position. Thus Danish submarines, which are definitely not the biggest models available, are planned for use at greater depths in the Baltic Sea, Kattegat and Skagerak.

But the shallow waters along the Danish coasts are well-suited for minisubmarines. Among other reasons because they can travel on treads across the ocean floor.

Paul Bjorn Sorensen: "Events in Sweden have forced the Navy to consider the threat posed by minisubs, among other things. There is a need for materiel and an organization to deal with these problems."

Minisubs Effective

Minisubs are very effective in carrying out reconnaissance missions prior to an invasion as well as destroying telephone and telex cables on the ocean floor, the captain pointed out.

The Navy has very little sub-hunting equipment. And the detection systems used by Danish ships have little effect against small submarines that make

little noise. Today there is no system on the market that is especially designed to detect the presence of minisubs. Only periscope observations have revealed minisubs along the Swedish coast and subsequent submarine chases have produced no results.

Systems for detecting minisubs could be developed by adapting the technology that is used in hunting larger submarines, in the view of Paul Bjorn Sorensen, who felt that light sonar buoys are the cheapest and best solution for the Danish Armed Forces.



Inner Danish waters and coastlines--indicated by the shaded area--are well-suited for minisub operations.

#### Navy Should Buy a Minisub

He recommended that tests be started with regard to the suitability of the various systems that are available. The Navy should consider buying a minisub to use in tests and exercises. The Swedes have already done this.

It is possible that the sonar equipment used by fishing vessels can reveal the presence of minisubs. In that case Paul Bjorn Sorensen recommended using fishing boats in the search for minisubs--in return for compensation and under the leadership of the Danish Navy.

When a submarine has been detected it should be destroyed. The Navy cannot do that effectively either. The powerful deep-water depth charges are not suitable for use in shallow waters.

"Consideration of the acquisition of an effective antisub weapon is extremely urgent. Only an antisub weapon that is acknowledged to be effective can deter possible intrusions," Paul Bjorn Sorensen concluded. Here too he made reference to fishermen, because their nets could be used to block certain selected coastal areas.

6578

CSO: 3613/87

MILITARY

DENMARK

FLIGHT TECHNICIANS FLEEING AIR FORCE IN INCREASING NUMBERS

Copenhagen AKTUEL in Danish 27 Feb 86 p 22

[Article by Berit Andersen]

[Text] "If we had a catastrophe somewhere in the world tomorrow and the Red Cross called up and asked to borrow a transport plane, the answer would probably be that there were none available."

The bleak prediction airplane technicians made about the consequences of the attrition of personnel from the Air Force is becoming a reality. Since AKTUEL visited the workshops at Vaerlose Air Base in mid-January, 10 more men have left. This leaves 24 and 10 of them are just waiting for the final word from their new employers.

"The situation is chaotic. And we foresee more hysterical solutions in the future when the authorities become aware of the extreme gravity of the situation. Or, to be more precise, if they become aware of it," as section chief N. E. Rasmussen, technical supervisor Flemming Hansen and technical instructor Johannes Oddershede put it.

Hope Dwindling

Their hope that a reasonable solution is on the way is dwindling as the days go by, while their fear of the consequences, especially in relation to the civilian population, is mounting. The fact that representatives of the Defense Ministry and the Defense Command paid a public relations visit to Vaerlose yesterday has not changed the situation.

The daily lives of airplane technicians are full of frustration, powerlessness and anger at seeing everything they helped to build up falling apart in their hands.

One workshop after another has closed down. At the electrical workshop there is only one electrician left today--and he has submitted his resignation to take effect on 15 May. To replace the four men who have already left, the workshop has acquired one electrician--and three auto mechanics.

## Explanation

In a report Defense Minister Hans Engell sent to the Folketing Defense Committee on the attrition of airplane technicians he downplayed the problems by saying: "We are recruiting our way out of them." The minister also wrote: "Just now there is a temporary shortage of less than 10 percent of normal manpower levels."

"He is just counting heads and has completely left the need for experience out of his considerations. And that is precisely where the problem lies. What good does it do when the central workshop sweeps out its corners to find civilian skilled workers to send us if these young people have scarcely even seen a picture of an airplane," said N. E. Rasmussen, Johannes Oddershede and Flemming Hansen.

"Of course we send them to be trained at our technical school. But that is a temporary solution. For as soon as they have finished their training they look for other jobs, just like the rest of us. Or they start looking while they are still in school, which is the situation we are seeing now."

And to complete the picture the three added that the latest resignation came from one of the technical instructors. "And it is obvious what that means.

"It is grotesque that instead of giving instructors the additional 30-40,000 kroner it would take to retain their services, an attempt is now being made to get permission to send 11 young people to study in the United States at a total cost of 1 million kroner.

"That sends money out of the country. The same thing is true when Hercules planes are sent to England for repairs. And in the end it is far more expensive than it would be to pay us a little bit more."

## Responsibility

The airplane technicians assign the responsibility for the whole problem to the top leadership of the Defense Command. And they ask themselves today who is keeping things quiet and why and whether the defense minister is really aware of the extent of the problems or if he is just pretending that they do not exist.

"We can only note that the panic is spreading as the days go by. And that in a very short time the level of experience will be down to a point where it will be a question if we can ever get our planes off the ground."

The experienced workers are leaving fast and soon they will all have been lured away by SAS, Sterling, Maersk and all kinds of other private firms who are willing to pay between 30,000 and 50,000 kroner more for their services.

6578

CSO: 3613/87

MILITARY

FEDERAL REPUBLIC OF GERMANY

### FUTURE ROLES, CAPABILITIES OF MORTAR EXPLORED

Bonn WEHRTECHNIK in German Dec 85 pp 70-75

[Article by Rolf Korver: "Does the Mortar Still Have a Future?"]

[Text] Even though the mortar--a rather simple and sturdy weapon--demonstrated its considerable fire power as a high-angle fire component of combat troops in recent engagements, its existence is above all being questioned lately. This "antiquated" tube weapon with its characteristic features: front-loader, high-angle fire (firing takes place exclusively in the upper angular group), and no recoil just does not seem appropriate on a battlefield characterized to an increasing degree by the employment of very demanding technology, particularly in the electronics area. At first glance, it is hard to see how this weapon can be adapted to future requirements without undergoing a change in its basic character. These questions are dealt with in the following report by Rolf Korver, mathematician, of the firm Diehl.

It should be noted that only the "heavy" weapons system employed in the Bundeswehr at battalion level will be considered in this article: the vehicle-mounted 120mm mortar (TAMPELLA) on the personnel carrier M-113. Likewise important for the assessment of the future prospects are the "peripheral systems":

- fire control (fire control team)
- observation and target location (forward observer)
- mensuration (aiming circle team)

as well as the component that makes up the effectiveness element per se:

--the ammunition.

Therefore, if the question posed in the title is to be answered, the overall system must be discussed, and the effectiveness of the overall system "mortar" must be assessed as the factor of overriding importance in the final analysis.

#### Mortar on the Battlefield

In the Bundeswehr, the mortar is fully integrated into the armored infantry battalion. It is intended, with its high-angle fire to complement the low-angle fire [weapons], and to quickly form, and shift, points of fire

concentration. In the combat battalion, the mortar is the only zone fire weapon against a numerically superior, often dismounted, enemy. In "house to house combat" in or behind cover, it is often the only weapon that can be employed quickly and accurately. In addition, the mortar troops can also lay a smokescreen and effectively illuminate a large section of the battlefield. These possibilities make it understandable why combat troops do not want to be deprived of their "artillery component," the mortar, as an integral element of the armored infantry battalion.

It has been repeatedly suggested that the artillery, as the combat support component, should assume the mission of the mortar as well. The combat troops, not without good reason, have their doubts that such a solution is realizable: the primary role of artillery is to engage the enemy's artillery. The attacker will always try to destroy those weapons that the defender has at his disposal for fire support and antitank defense. In the process, he will be able to establish a numerical superiority of 5:1 and more. Consequently, the defender will have to engage many targets simultaneously. For friendly artillery, the mission of engaging the second echelon of the attacker is almost as important as engaging enemy artillery.

On the other hand, the engagement of targets directly in front of the area to be defended, or--in a close engagement--within this area, is not viewed as a primary role of artillery. The specifically combat troops-oriented support which the mortar offers today will hardly be additionally assumable by the artillery, especially since when attacker and defender are closely engaged the possibilities for the use of artillery are severely limited.

The system "mortar" can be so equipped, organized, and commanded for combat units that it is directly integrated into the combat troops combined arms. Thus viewed, the mortar cannot be done without for tactical reasons in the future as well. To be sure, though, it can have a future only if its technical capabilities can be adapted to present-day requirements of the battlefield, for the mortar too is faced with a changed scenario. The question is thus: what must a mortar system for the 1990's look like?

#### Development Objectives

In the future, as well, the mortar must have the following time-tested characteristics:

- simplicity and robustness,
- high-angle fire,
- complete integration into the combat unit,
- assumption of all previously assigned tasks in combined arms combat.

Improvements are necessary in the following areas:

- fire power, both with respect to effectiveness at the target [terminal effect] and rate of fire,
- reaction capability,
- flexibility,
- survivability.

With respect to terminal effect, it is mainly a question of gaining effectiveness against hardened point targets (tanks) as well. Reaction capability depends on mobility, on all those measures which are essential for attaining readiness for action, and on fire control. Very mobile combat, as well as a very quickly conducted concentration of fire, require measures which drastically reduce the time needed to change positions. And, finally, an increase of the range in circa 8000 m is needed to insure greater operational flexibility of the weapons system (Figure 1).

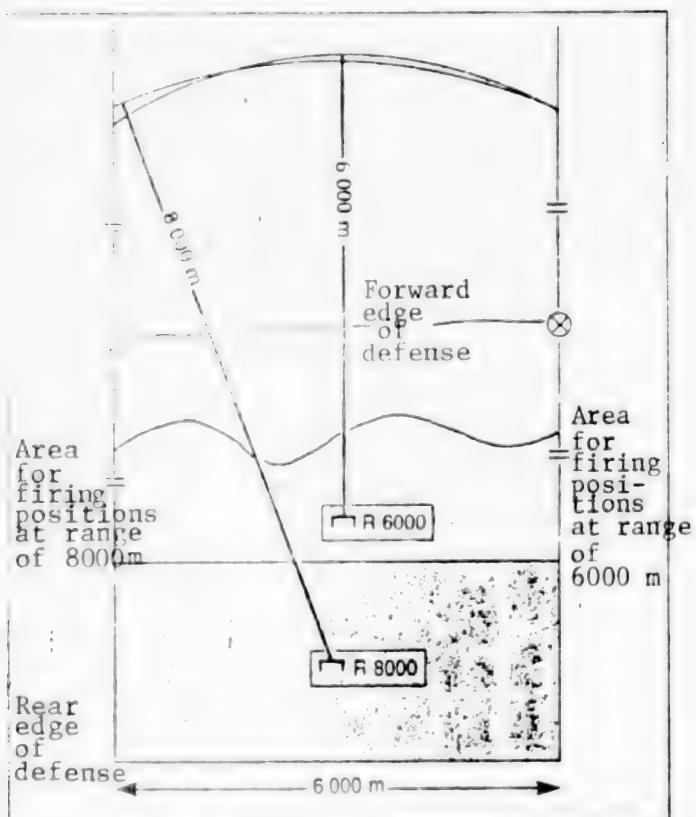


Figure 1. Gain in Flexibility Through a Range Increase: Doubling the possibilities for firing positions by extending them in depth as far as the rear edge of the defense; rendering reconnaissance by the enemy more difficult; increasing the traverse sector.

Discussed below are suggested solutions for designing the various subsystems of the mortar system in keeping with the requirement and the threat.

#### Self-Propelled Mortar

The 120mm mortar TAMPELLA is installed in the M-113 as a self-propelled mortar. A vehicular mounting such as this must be retained since otherwise the required high mobility could not be realized. It is first of all essential as a protective measure, since the high-angle mortar trajectories can

easily be located by radar, so that a fire burst by friendly forces can be followed soonest by enemy counterfire. But the permanent installation in a vehicle is also necessary because the dismantling of the weapon for a position change, transport, and reassembly would substantially reduce the effective time of employment.

But survivability as well demands that an armored vehicle be used as the weapons carrier. At the very least, an effective protection against shrapnel must be required, and this includes shrapnel from above, a threat that has increased substantially through the extensive use of ground proximity fuzes for artillery and mortar shells. And, finally, protection against ABC weapons is possible only by means of a closed crew compartment.

Which brings us to the at times hotly discussed question: "What caliber will meet the operational requirements made of the mortar in the future?"

#### Caliber 120mm

The optimal caliber of 70mm sometimes proposed in technical [trade] publications is in no way consistent with the conditions which will be encountered on a future battlefield. The analysis of the latest OR [not further identified] studies, but also numerous after-action reports and troop comments, has demonstrated that a caliber of between 120 and 125mm offers the greatest advantages for the battalion mortar. The integration into a vehicle causes no difficulties of any consequence: investigations show that for modern tracks and suspensions a mortar with a firing impulse of circa 6 kNs (equal to a muzzle velocity of 350 m/s with a projectile mass of 17 kg) can be accepted. Care must be taken in the process that the force introduction into the vehicle hull is correspondingly carefully laid out.

With respect to the required range increase to 8000 m, it can be shown that, while preserving the muzzle velocity and coefficient of resistance, medium caliber projectiles must become disproportionately heavier than large caliber projectiles. While at 120mm the projectile mass must increase by only circa 35 percent, an increase by circa 100 percent is necessary at 81mm. In the process, a suitable design of the ammunition becomes difficult with medium caliber projectiles. Thus, if a greater range is to be attained, a larger caliber is also necessary for this reason.

#### Automatic Aiming

Weapons technology represents another area of development potential for the weapons system mortar. Precisely in this sector, significant deficiencies can be noted in the existing system. Thus, the present-day aiming of the mortar is characterized by especially time-consuming and sometimes physically very demanding actions. This includes the setting of the basic azimuth and elevation, and then the equalization of the canting. An automatic canting correction is the least that should be expected of a future mortar system. Perhaps thought should be given to the long-range replacement of the mechanical and optical aiming devices used to date. The burden placed on the mortar crew will be significantly reduced if the operation of the aiming mechanism were

simplified through the use of electric motors or an aiming hydraulic system. Finally, the whole weapon could be stabilized on a platform in such a way as to make automatic computer-controlled aiming possible. Even the optical aiming devices might become superfluous in the process. The reaction capability of the weapons system is improved significantly through the use of an automatically aiming mortar such as this. At the same time, one member of the mortar crew can be dispensed with.

#### Loading Aid

Another weakness of the existing mortar system is the loading procedure. In the future, increased emphasis will be placed, as a result of the declining birth rate noted, on economizing on "operating personnel" through increased automation. Viewed in this way, the mortar of the future should be equipped with an automatic loader. To this end, the first step toward upgrading the current effectiveness of the existing mortar will be to plan the introduction of a "loading aid."

#### Results of a Commissioned Study

A study of the firm Diehl, commissioned by the Federal Ministry of Defense, pointed out the broad spectrum of development possibilities in the mortar weapons technology sector. This study provided experimental proof for a rapid-firing, for the most part autonomous, self-propelled mortar having a 3-man crew.

Three problem areas were given special consideration in this study:

- protection of the vehicle, a feature not to be lost during aiming,
- rapid-fire weapon capable of firing all types of ammunition, i.e., also long container and terminally guided projectiles,
- fire control and automatic aiming.

The lower mount of the weapon in the Diehl solution is a fixed support which is immovable with respect to the hull. In order to approximately maintain the required azimuth range of  $\pm 45$  degrees and an elevation from 45 to 85 degrees, a spherical segment system has been selected for the upper mounting of the weapon, in which two spherical segments can be independently rotated. In this way the upper mounting position of the weapon can be shifted to any point within the area of the large spherical segment. This solution provides both an aiming system and complete armor protection.

Because of the complete armor protection, a rear-loading weapon with an open rotating magazine was selected. This revolver magazine assures the highest rate of fire (Figure 2).

It was possible, with this weapon, to fire off 6 shots in 10 seconds. For the weapons fire control system of this very advanced mortar, an elaborate design was chosen with:

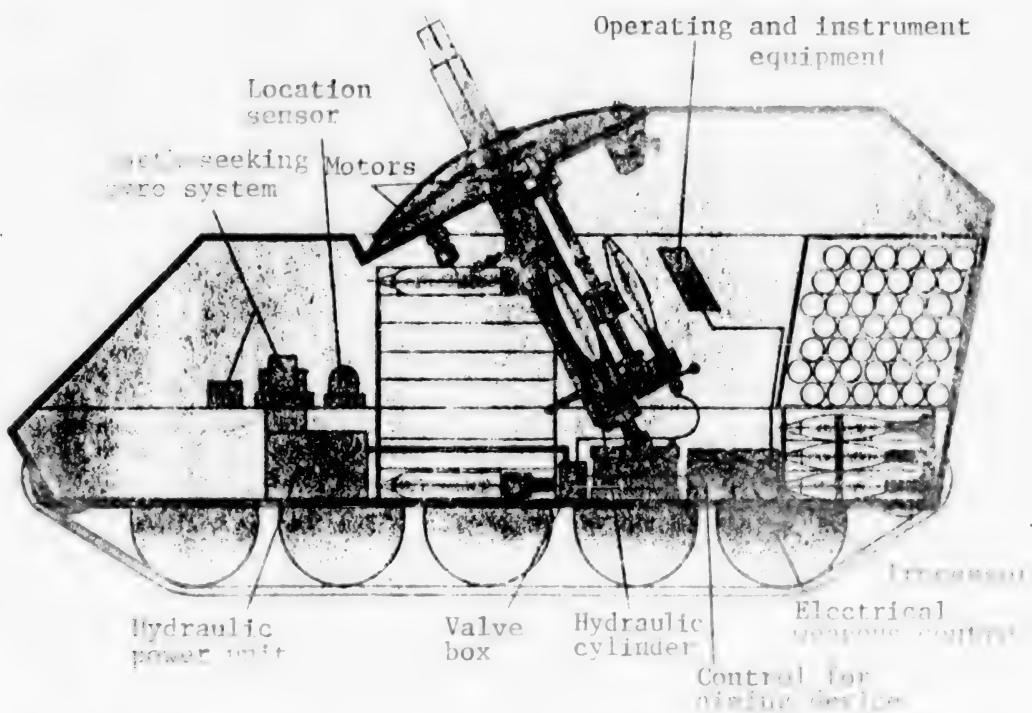


Figure 2. Proposed Concept of a Future Mortar Having Automatic Aiming, Automatic Loading, a Navigational System and Complete Armor Protection

- a north-seeking gyro system,
- a canting sensor,
- a digital angle-of-rotation receiver,
- a ballistic computer, which also serves for automatically aiming the weapon.

The entire system was created as a laboratory model and tested with several hundred rounds. Aside from this maximal solution, one other weapons variant was locked into at Diehl, which likewise provides for complete armor protection. Here the tube is integrated into a laterally directive armored tower. In this concept, special emphasis was placed on preserving the sturdiness of the weapon, and it was also for this reason that manual loading was proposed for it. It was the intent, after all, that the installation of this new mortar type in existing combat vehicles be a relatively simple task.

These examples illustrate that there is still a substantial development potential in weapons technology, so as to make a mortar available to troop units which will be capable of meeting future threats.

In summary, a self-propelled mortar of the future can be realized with the following characteristics:

- caliber of 120mm
- vehicle-mounted

--complete armor protection and abandonment of the front-loading principle  
--retention of the sturdiness of the weapon  
--automatic loading  
--automatic aiming.

#### EDP Stages Its Entry Into Mortar Units

Fire control represents a wide field for improvements needed so as to be able to employ the mortar company more effectively in the future. It is surely antiquated for the fire control team to have to read off fire commands from the firing table, as is done today. In this area, the use of a fire control computer provides greater security, accuracy, and speed. Many firms are already offering suitable mortar computers, ranging from a modified pocket calculator to an elaborate input/output device having the appropriate computer capacity.

In order to further utilize the speed gained, a data link between the fire control team and the mortars, with an appropriate data interface with the fire control computer, would be beneficial. In addition, the communication link between the fire control team and the forward observer should be made more efficient. Here too a data link can speed up the transmission of target location and observation data. In the process, digital data interfaces with direction finding equipment and fire control computers should exist.

However, the data link traffic should remain limited to specifically fire-related communications lending themselves to formating. An overly extensive data link would adversely affect the general command of the company because of its "sluggish" formating.

#### The Forward Mortar Observer Locates the Target More Precisely

Technological progress appears to have bypassed the forward observer. A binocular telescope continues to be his only optical aid. And it is precisely from him that significant accuracy in the determination of target data is required in the future, so as to attain increased ammunition effectiveness. If intelligent ammunition were to be fired by the mortar, the real-time transmission of target data to the mortar would also be required. This is easily realizable already today through the use of data links. In addition, the forward observer must have a night vision capability at his disposal, so that mortar support of combat troops is also assured at night. Combining these operational limiting conditions yields the following requirements for the technical design of a modern target locating device:

--rapid mensuration [calibration] of the friendly position  
--precise determination of target coordinates  
--rapid transmission of target data to the fire control team  
--night vision capability.

The required measurement accuracy of the target coordinates will be gone into here briefly. In the future, mortar troops, as well, will no doubt try to

reduce the extent of technical [adjustment] life necessary. In the past, [not served] map fire, a prerequisite for the use of target fire at ("stand") ammunition, will make its entry into mortar units. This means, however, that the forward observer must locate the targets to an accuracy of circa 50 m.

For this purpose, the forward observer must in the future be equipped with a target position finder having the required night vision capability. In addition, in the calibration of his own position, he should be supported by a vehicle orientation system. This makes it possible to achieve working readiness much more rapidly in the event of a position change; the forward observer becomes more flexible. The rapid transmission of the target coordinates can be assured by the aforementioned data interface with the target position finder.

If one assesses the requirements for future-oriented equipment of the forward observer, one determines that the required technology is definitely available. Here the mortar units can take advantage of the developments made for the artillery.

With respect to the vehicle, it should be noted that the forward observer should be no worse off than his "buddies at the mortar." Complete armor protection of the vehicle will take his dangerous assignment into account.

#### Must the Aiming Circle Crew Be Retained?

In an analysis of the aiming circle crew, as with the forward observer, one encounters the use of antiquated methods and resources. Adjustment of the mortars continues to be done by means of an aiming circle, just as it always has. This time-consuming procedure is no longer appropriate for a weapons system of the future. For that reason, the aiming circle crew should be equipped with a vehicle orientation system, since the calibration of the firing position will in this way be speeded up.

If one wants to economize on personnel, one possibility would be to transfer the tasks of the aiming circle to the fire control crew through the use of suitable equipment, e.g., the vehicle orientation system. On this subject, there are sure to be intense discussions in the future.

But one can also go one step further:

The technical possibility clearly exists to equip each mortar, similar to the MLRS missile, with a navigation system. A centralized adjustment of the mortars by the aiming circle crew would be superfluous; the mortars could be employed autonomously.

With all these possibilities for equipping [mortars] with the latest technological devices, two concerns, primarily, suggest themselves [come to mind]: costs and sturdiness. It would of course be dangerous to judge the costs by today's standards. Many systems will find general utilization in the same or

similar configuration. The costs will be reduced drastically. Added to this is the fact that only the extensive utilization of technical equipment makes appreciable savings in personnel possible. Sturdiness requires, basically, that highly developed technology be dispensed with, but this would also mean doing without a rapid response capability, a high hit probability, and personnel savings.

It is the task of technology to make currently feasible possibilities available. The soldier's task will be to find the proper compromise.

#### Performance Increase in Ammunition

In increasing the combat effectiveness of ammunition, it would not serve the interests of the troops to carry out a further specialization, i.e., to increase the number of ammunition types. Experience has shown that whoever specializes too much makes excessive demands of the logistics system and hinders tactics, for then he often does not have the right type available at the right time and at the right place. For a weapon assigned to line units, more than four types of ammunition would probably not be logically, and probably also not tactically, manageable. What is needed, therefore, is an optimization of the effectiveness of the ammunition types.

Smoke-laying and incendiary ammunition will be able to integrate completely the advances made with these types of ammunition. This applies particularly to advances in the development of "faster," "denser," and "longer lasting" smoke.

In developing a high explosive/fragmentation projectile, use can be made of the results achieved with improved artillery ammunition, so that, among other things, effectiveness is achieved against thinner armors and from above. The introduction of a multifunction fuze (instead of the two percussion/delayed action fuzes and proximity fuze), despite the probably somewhat higher cost, would ultimately be more cost-effective because of the resultant simplification of logistics, training, handling of the weapon, and issuance of orders.

For the engagement of tanks, as well, the procedures worked out for the artillery can be applied to the mortar weapons: mine projectiles, bomblet projectiles, and target-seeking shaped-charge projectiles are feasible.

Mortar troops do their firing at targets exclusively with the aid of observers. In that respect they differ fundamentally from artillery troops. The planned utilization of semi-autonomous ammunition against tank targets therefore suggests itself, ammunition which requires the marking of the target by the observer. At the same time, the observer has available to him a level of "intelligence" which is not found to the same degree in any technology: the observer can evaluate the targets, and in a close engagement, for example, he can distinguish between friend and foe or knock out the enemy's command tank before all others.

The realization of terminally guided mortar projectiles was put to the test in impressive fashion in the BUSSARD program. Already in 1975 the firm Diehl was

tasked by the Federal Ministry of Defense to investigate, together with BGT, AEG, and Eltro, the feasibility of an ammunition of this type. In 1983, it was possible to score three hits on a tank target with three shots from an existing conventional mortar. With that, the design of an intelligent ammunition having ballistic integrity was successfully demonstrated for the first time in Europe.

The BUSSARD concept, aside from the demonstrated semiactive laser target homing method, also provides, as alternatives thereto, for an active millimeter wave radar homing head or a passive IR seeker head. Here the development of the millimeter wave radar homing head in the MLRS III program for the terminally guided submunitions can be put to very good use for an active homing head of a mortar projectile. The development of a terminally guided autonomous mortar projectile thus no longer poses a significant risk.

Also with respect to future armor (composite or active armor plating), the BUSSARD concept, with reference to the warhead, offers an adequate developmental potential. Here the integration of a tandem shaped-charge, which is also suited for engaging future armors in a top attack, is a definite possibility. All in all, the employment of intelligent ammunition offers the best prospects for the future.

#### Summary

Technology offers a package of simple and safe measures for a mortar weapon of the future:

- homing device,
- vehicle orientation system,
- data link,
- fire control computer,
- automatic aiming,
- automatic loading,
- protected crew compartment, and
- new ammunition types, also for use against hardened targets, particularly intelligent ammunition types and BUSSARD.

In this way, the old area fire weapon mortar becomes a modern artillery piece which in combined arms combat need not fear the engagement of even the most hardened targets. In the process, the mortar continues to be an effective weapon against soft and semi-hardened targets. Thus, the armored infantry battalion possesses a weapons system which can counter the entire target spectrum. Seen against this background, who can doubt the future of the mortar?

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MILITARY

FEDERAL REPUBLIC OF GERMANY

BRIEFS

RESERVIST STUDY REVIEWED--"On Some Issues Relating to the German Bundeswehr's Reservist Problem", edited by Oswald Hahn (Defense Policy Information Conference, a Year-End Activity of the German Bundeswehr Reservist Association [registered], Middle Franconian Regional Group, Ansbach 25 November 1984), Nuremberg 1985, 71 pp, DM 7.50. This booklet is primarily concerned with the possibilities for ameliorating the reservist problem. In it, a partial militia system and a partial cadre system are advanced, but rejected as having few prospects. It is otherwise with the activation of volunteer reservists, a large fraction of whom would gladly participate in military-training exercises, but who are carried only in the individual reserve or are not accounted for at all. It is suggested, among other things, to raise the age limit for training exercises and mobilization assignments, further to bring forward volunteer reservists where the need is most apt to arise, as in Territorial Army units. Finally, retraining of reservists would be a possibility. In addition, various official planning for alleviating the problems in question over the middle or long run is cited. [Text] [Vienna OESTERREICHISCHE MILITAERISCHE ZEITSCHRIFT in German Jan/Feb 86 p 105] 13070/12955

'NATIONAL GUARD' CONCEPT RESURFACES--Bonn 7 Jan--The Union delegation's defense-policy spokesman, Wimmer, and his fellow Union delegate, Ehrbar, have produced a concept for more intensive utilization of reservist potential within the Bundeswehr. It is to be discussed in the Bundestag defense committee. As a new element, the paper contains the suggestion of giving the Territorial Army, which has hitherto for the most part consisted only of unit-equipment packages, an effective strength of part-time soldiers, up to the point where a large number of reservists can be kept in training in these cadre units. The Defense Ministry's planning to date contemplates raising the annual number of reservists on active duty for training from 180,000 presently to some 400,000 in the nineties. Apparently the two Bundestag members are thinking of having the annual number of trainees rise even above this level. "Part-time soldiers" could, they feel, be gleaned from the volunteers who have left the Bundeswehr, from the retired professional soldiers, as well as from the general population of potential reservists. Their task would be to serve as cadre for formations hitherto existing only as unit equipment packages, both in terms of leadership and support and for maintenance of equipment and preparation of exercises. The two Bundestag members advocated creation of the legal requirements for this new type of part-time Bundeswehr soldier. They further ask for investigation as to

whether units of "home-defense nature" could not be created as supplement to the effective strength of Bundeswehr units and mobilization forces. These would be troops which would only have to take care of geographically predetermined security and barrier missions. They are decided in their demand that an end must be put to using reservists as "gap-fillers" in the Bundeswehr. The attitude of the active forces toward reservists must fundamentally change. It is also intolerable, they claim, that reservists have to put up with worse equipment than the active-duty soldiers. Regulations prescribing that hand-me-down equipment be used up by reservists must be changed. As was learned from the Defense Ministry, the two deputies' concept was checked out with the responsible offices of the Defense Ministry. [Text] [Frankfort/Main FRANKFURTER ALLGEMEINE in German 8 Jan 86 p 2] 13070/12955

VEHICLE MOBILIZATION EXERCISE SUCCESSFUL--In connection with a mobilization exercise of the "1st Air Defense Command" (of I Corps), the operational readiness of all the civil-sector vehicles which would be called up for military purposes in case of conflict was checked over on a dry-run basis. In this exercise the owners and drivers of the vehicles to be presented showed a "discipline" that could almost be called military. Despite snow drifts and slippery roads and the distances--up to 60 kilometers--to the Von Einem barracks in Munster, they could not be prevented from fulfilling their duties. Of 101 trucks and trailers, 92 percent were checked, 8 percent were exempted by the local recruiting and replacement station. The results: satisfying --wheel bearings, tire profiles and so forth of all the vehicles examined were "usable and without major deficiencies." [Text] [Bonn WEHRTECHNIK in German Feb 86 p 63]

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MILITARY

SWEDEN

ARMY CHIEF RECOMMENDS AGAINST CUTTING PEACETIME UNITS

Proposal to Forces' Commander

Stockholm DAGENS NYHETER in Swedish 18 Feb 86 p 6

[Article by Bengt Falkkloo: "The Army Tempts its Officers"]

[Text] The disbanding of army units is not being considered at the present time. It will be more difficult to get deferment of periodic retraining exercises and officers will be retained by higher pay and better living conditions. These are some of the ideas the army has for the future.

The Commander of the Army, Lieutenant General Erik G. Bengtsson, conveyed his suggestions for the future army peacetime organization to the Commander-in-Chief of the Armed Forces Monday.

It discusses rationalization and prioritization of resources that already exist. But at the same time, the army chief will introduce a number of improvements.

During the past year, 269 active officers, from second lieutenant to lieutenant colonel, have resigned.

—"And we are here talking about qualified technicians and our future leaders", says the army chief. In the past, the normal number has been 110 resignations per year, at its highest point. The reasons are the economic conditions. They are worried about the future, and the working environment is not the best either. This will now be helped by increased recruitment and several reforms.

Trips Home

-Officers will receive at least one trip home per week when assigned duty at a different location. We are going to raise pay scales and make them competitive. The personnel will receive help with relocation costs and spouses will get help finding new jobs.

That officers resign worries Erik G. Bengtsson

2 April 1986

- "I think it is frustrating when recruits demand better education and we are unable to give it to them".
- For the time being, the problem will be solved by an extra budget allotment of a few hundred million, to improve education and training.
- The acquisition of target practice simulators, among other things, is being considered.

Chief Should Consider Cutbacks

Stockholm DAGENS NYHETER in Swedish 19 Feb 86 p 2

[Editorial: "Army Still in Old Grooves"]

[Text] In choosing among three different ways to save within the army peacetime organization, the Chief of the Army, Erik G. Bengtsson elects to reject them all. Every change in the organization would worsen things, is his comment awaiting the upcoming decision on defense. In reality it means that the proposed savings goal of three billion kronor for the period 1982-92, in its remaining parts, must be attained by rationalization and thinning out within the existing structure. Is that really to be preferred?

It is really clear, however, from the army chief's own description, that all three alternatives are not equally bad. To concentrate the training of an entire brigade within one unit of the army is the worst solution, as this will require large investments and will put specialized troops at a disadvantage. On the other hand, to carry out the training of the brigade's different kind of troops at the unit in which they were recruited, a thought expressed earlier by the army chief, is not as impossible, but has the disadvantage that the economic gains are small. To shut down one or more units of the peacetime organization presents significantly quicker reductions and demands no new investments to speak of. One obstacle stressed by the army chief is that he has been ordered to see to it that recruits whose duty period has been postponed will be trained as soon as possible; He furthermore contends that the army risks losing additional active duty officers by shutting down existing units. The defense committee should assess these arguments and think through whether there really is such a hurry "skimming the cream" of remaining recruits. The question is also if the shortage of active officers cannot be addressed using methods aimed more at the future; for example, increased recruitment and improved benefits. There is much at stake if the activity is allowed to continue along the old grooves.

Major General Lars E. Englund, Chief of Staff of the military section of Upper Norrland, has recently been observing the growing shortages among these army units. In part, his observations identify the lack of much needed materiel, such as transport helicopters, but just as serious is that existing materiel does not meet established standards. Materiel in storage depots has gradually been allowed to deteriorate, in many cases as a result of the lack of maintenance and repair.

Most annoying is probably still when England [sic--Englund] on behalf of the Commander-in-Chief, downplays the value of retraining exercises for

recruits who already have received a passing grade from the armed force branches' own evaluations. As a result of the many duty deferments, large contingents of units that are needed for mobilization at time of war have not been retrained. Similar dismal experiences regarding the effects of far too generous duty deferments have later been accounted for by Colonel Curt Sjoo out of last years "West Coast" military maneuver.

The Army Chief, who must seriously consider all criticism, should be prepared to sacrifice some of his peace time units, if by doing so he will free resources needed for the improvement of materiel and training. In exchange he has the right to ask for a change in the rules governing duty deferments. It is not acceptable that 20-25 percent of the recruits are absent from retraining exercises, the purpose of which is to produce combat ready troops.

13232/9190  
CSO: 3650/139

MILITARY

SWEDEN

BRIEFS

ANTISUBMARINE NETS, PONTOONS ORDERED--It will now be more difficult for foreign submarines to operate in the Swedish archipelago. In order to strengthen the protection from submarines, the Defense Materiel Agency has ordered permanent obstacles in the form of antisubmarine nets and pontoons from SAFE-BRIDGE AB at Vastervik, for a total of 25 million kronor. [Text] [Stockholm DAGENS NYHETER in Swedish 12 Feb 85 p 14]  
13238/9190

CSO: 3600/130

ECONOMIC

AUSTRIA

## VOEST EXPORT OF ARTILLERY TO IRAN CHARGED

Vienna PROFIL in German 13 Jan 86 pp 24-25

[Article by Hubertus Czernin and Otmar Lahodinsky under the "VOEST Weapons" rubric: "'Not Our Responsibility"'; first paragraph is PROFIL introduction]

[Text] The manager of Noricum, the weapons firm of VOEST [United Austrian Iron and Steel Works], cannot exclude the possibility that his guns are being used in the gulf war.

There was a great deal of guesswork in the auditing departments of OeIAG [not further identified] and VOEST last week. The mysterious Hong Kong corporation "Rex International" has not yet shown up in a single business document of the speculative firm Intertrading, asserted the auditors. Accordingly, neither was there the slightest indication that U.S. weapons such as spare parts for missiles were involved in an Iranian barter deal.

"Weapons deals in the form of barter make no sense at all," also affirmed Peter Unterweger, VOEST director and manager of the Linz arms subsidiary Noricum: "Such products cannot be paid for with flour, oil, sugar or bras."

Nevertheless, the management of Intertrading has tried it but not, to be sure, with the Khomeini empire. Some information on this is provided by a 12 March 1984 letter signed by Gernot Preschern to the GDR Ministry for Foreign Trade "in regard to agreements on countertransactions with GDR foreign trade enterprises." On page 3 of the letter, the "inclusion of technical military products" is proposed to the East Germans.

To be sure, according to a VOEST auditor, this sort of compensation is not further pursued in later correspondence with GDR authorities.

But even so, there is no end to VOEST's difficulties with its weapons production: the public attorney's office in Linz announced last week that it wants to take a close look at the export of VOEST guns to the Middle East.

For almost 3 years now, the ugly rumor has been floating around the world of the media that the howitzers sold to Jordan actually ended up with the gulf combatant Iraq. That was asserted as early as 1983 by the respected technical journals DEFENSE WEEKLY and INTERNATIONALE WEHRREVUE. That also found its way

into the yearbook of the International Institute for Strategic Studies in London, which locates 150 155 mm GHN-45 tank guns in Iraq.

Nevertheless, Noricum chief Unterweger asserts that he must assume that the guns are in Jordan: he has an end-user certificate and the export approval of the Federal Government and, in addition, Jordan has already paid for the delivery. Of course, says Unterweger: "Even if I delivery something to the Vatican, I cannot exclude the possibility that it will be passed on."

Noricum's deal with Libya is no different. According to Unterweger, 40 guns were delivered there last year, guns that are now assumed to be in Iran, the other country in the gulf war. The magazine BASTA had presented evidence last fall for the Persian connection. In August 1985, 20 VOEST guns were discovered in containers in the Yugoslavian port of Kardeljevo and photographed. Unpacking instructions were hanging from the barrels--in Persian.

Nevertheless, the explosive cargo landed in Libya on 3 October. A witness is Peter Festin, Austrian trade delegate in Tripoli. The Libyan military police escorted him into the port of Tripolis "with quite a hullabaloo" (Unterweger) in order to put an end to all the speculation.

A container was opened for Festin under the supervision of the Libyan secret service. A gun barrel appeared and that was it. Festin: "I may have been in the port for half an hour. But one cannot deduce too much from it. I do not even know how many pieces were involved."

But even exports to Libya are not without problems: Foreign Minister Leopold Gratz, who indirectly threatened to withdraw Austrian friendship from revolutionary leader Muammar Qadhafi after the terror at Vienna-Schwechat, failed to see in the unsolved conflict between Libya and Chad last year any reason for objection on account of the military material export law. On the other hand, the request of Qadhafi's new ally, King Hassan II of Morocco, for new Steyr tanks was rejected because of his war with the Polisario liberation movement.

"I have always pointed out," now thinks Erwin Lanc, formerly interior and foreign minister, "that the range of this law ends on the borders of our republic." In his visit to Teheran in May 1984, he himself brought up the subject of weapons deliveries "as a preventive measure," saying, "I explained that we are not allowed to deliver to crisis areas." There were no complaints by the Iranian side that Austrian weapons may have ended up in Iraq.

In 1981, when Jordan ordered a total of 200 GHN-45 howitzers at a unit price of \$690,000, military experts quickly began to suspect that Jordan may have turned the heavy guns over to its ally Iraq.

This thesis was also strengthened by the silence of Israeli politicians, who normally would hardly have allowed a potential enemy to be equipped with long-range guns from Linz.

Noricum chief Peter Unterweger is nevertheless "absolutely sure that the stuff is in Jordan." They were continually getting inquiries from Jordan, where 80 replacement barrels were just recently delivered--an indication, however, that points more to wartime wear. According to military experts, the 7.5 meter barrel should easily be good for 1,500 rounds--for years to come.

Unterweger, who succeeded Roland Lettner when he went to Intertrading, is appropriately careful in his denials: "A forwarding is not within our area of responsibility."

One error that cost VOEST 170 million shillings, however, was the responsibility of his predecessor. Because some important howitzer parts for the Jordan order cannot yet be produced in Austria, Lettner ordered 110 breeches and optical equipment in the United States. The goods were paid for before they were approved for export. Tough luck for VOEST: the U.S. firm FMS did not get approval and the ordered goods were frozen. In 1983, a VOEST audit report (No 21 207) discovered the 170-million shilling loss, which was devaluated annually (PROFIL No 51, 1985). The expected profit from the Jordan deal was, of course, almost halved by this blunder.

According to the plan, 150 guns annually were to come off the assembly line at the Liezen branch plant, where previously subway bracing and road rollers were produced. As early as 1982, however, VOEST workers in Liezen were threatened with short-time work and layoffs. Instead of the expected billions in sales, the statistics on 1982 orders showed only 10 paltry orders worth 100 million shillings. A large order for the Indian Army has still not come about.

"In the case of guns, we have made smaller deliveries to Oman, the Far East and South America," admits Noricum chief Unterweger, even though he previously praised the "first-class, exceedingly good business trend": "With military equipment, one must think in the long term."

Under this motto, the purchase of the license for the 9-ton "Bull" gun of the U.S.-Canadian arms firm "Space Research" (PROFIL series 4, 5, 6/85) was not successful. For the market for heavy artillery pieces was very narrow at the end of the 1970's when VOEST began weapons production very quietly but with the approval of the government: NATO had just met its needs with the new Howitzer 70 and the Americans sold their M-109 guns. The service life of such howitzers, up to 30 years, did not exactly help sales.

"Because the market of relevance to us has reached the point of saturation for the foreseeable future (about 4 to 5 years)," warned the VOEST auditors in 1983 without success, "a precise and intensive search for new products must begin right now."

In contrast to Steyr-Daimler-Puch with the Halde tanks, VOEST could not hope for Federal Army orders for its wonder howitzers. The heavy piece, which fires as far as 40 kilometers with special "ERFB Base Bleed" ammunition, does not correspond to the militia concept and also violates the international treaty because of its range.

Meanwhile, VOEST subsidiary Hirtenberger is offering its own ammunition for the guns. But the gas-propelled projectiles of the type "ERFB Base Bleed," which travel as far as 40 kilometers, are being purchased from the Belgian firm PRB. "It is still not clear whether we are allowed to produce this ammunition," explains Heinz Traeder, technical director of Hirtenberger.

In accordance with the Noricum offer of last year, one must lay out 14 million shillings for the towed version of the GHN-45 howitzer and as much as 17 million shillings for self-propelled gun (with 2.4-liter Porsche engine).

The offer on three howitzers and ammunition that was circulating among domestic arms dealers already included a 10-percent surcharge for the end-user certificate. For the paper with importance for exports can be bought in many countries.

VOEST subsidiary Hirtenberger, which for years has supplied cartridge components for the gulf war without any problems at all (PROFIL, No 7, 1985), has meanwhile stopped these ticklish exports "for competitive reasons." "They now have their own ammunition plants," says director Traeder.

It may be that the competition came from their own country. According to disclosures by the "Citizens' Initiative Parliament," Steyr-Anlagenbau has built an ammunition plant in Baghdad, which not only violates the war material law but would also constitute a "threat to neutrality" (Section 320 of the Penal Code).

According to Steyr chief Michael Malzacher, the "nonferrous metal factory" produces only harmless semifinished products: "Wire and metal bands." The facility is "not suitable" for the production of cartridges, as stipulated in the contract with the Iraqis.

"Of course one can make the most varied finished products out of these semifinished products," explains Steyr-Anlagenbau director Ernst Tutschek: "Commercial as well as strategic articles such as ammunition, for example." And: "The machines that were delivered to Iraq are by no means suitable exclusively for the production of war material."

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ECONOMIC

BELGIUM

SCHOLLAERT ON EXPORT PROMOTION, TRENDS, FALL OF DOLLAR

Brussels KNACK in Dutch, 3 Jan. 86 pp. 3-6

[Interview with Maurice Schollaert, former director-general of the Belgian Foreign Trade Agency, by correspondent Karel Cambien: "Making Handkerchiefs Is Something the Third World Can Do Better"; date, place and occasion not given; first two paragraphs are KNACK introduction]

[Text] If 1985 was a good year for Belgian exports, why are we losing an increasingly greater share of the world market? A conversation with Maurice Schollaert.

Just right before the new year started, there was once again a game of musical chairs for the head of the BDBH [Belgian Foreign Trade Agency]. Maurice Schollaert, who previously had taken the struggle to regain his position as director-general of the BDBH all the way to the Council of State, left the position again after a year. The minister was then asked to replace him in interim director-general, while Schollaert became cabinet chief for Minister of Foreign Trade Herman De Croo. A conversation with Maurice Schollaert concerning this change and concerning Belgian exports in general.

[Question] You had a long legal struggle to regain your position as director-general of the BDBH, and in the end the Council of State agreed that you were right. But now, scarcely a year later, you are leaving it again. Doesn't that seem a desertion?

[Answer] I was not the active party in this matter. Herman De Croo asked me to be his cabinet chief. That put me in a genuine and difficult question of conscience. Namely, because I like working at the BDBH, where I have had much experience. In the past year, the administration has also clearly succeeded in better motivating the personnel, with the logical consequence that the exports have started to appreciate the BDBH's actions more and more.

I first suggested to Herman De Croo that I could help him in word and deed from within the BDBH tower, but he didn't want that, for various reasons. Ultimately, I did agree to his proposal, and for this reason: De Croo has assured me that he really wants to be minister of Foreign Trade, that he will take the position completely seriously, and so not simply bear the title, as certainly has happened in the past. But in order to do this, he wanted to

surround himself with people in whom he could place the fullest trust. Moreover, there is still a thing or two to do in this country in the field of foreign trade, and I can probably make myself a good bit more useful in the cabinet than at the BDBH. I would not call it desertion. I wanted to leave only if I obtained a worthy successor and that Mark Servotte, who now has been appointed for the interim, most certainly is.

[Question] But still, it's striking that you yourself say that one cannot work more easily as cabinet chief than as director general of the BDBH. That is terribly flattering to your institution.

[Answer] It's another sort of work. I can do useful work here, too, but there are a number of aspects that don't get a chance here at all, or only to a much lesser degree. To give just one example, the problem of financing, or the consequences of multilateral relations. On the basis of my experience, I can intuitively say: From Wet Street I can better put myself at the service of Belgian exports.

[Question] The growth of Belgian exports remained well beneath the OECD average in 1985.

[Answer] With the data now at our disposal, the growth in Belgian exports can be put at around 6.6 percent. I admit that we expect to do a lot more, but there is no obvious explanation for this. We achieved too little in the markets of our neighboring countries, that is a simple, objective observation. West Germany and the Netherlands, for example, need much more intensive work, and we want to start doing something very concrete about this now.

On the other hand, there is also a positive indication, in the sense that imports have declined. For example, our country is importing fewer energy products, and the Belgian population is again buying more Belgian products. Thus, our factories are regaining a portion of their own market, and in a certain sense that is very significant. An exporter recently told me that in a few years time he had realized 22 percent more sales in the Belgian market, that's impressive.

[Question] But then Belgium is doing no better than it's potential as a potentially an exporting country.

[Answer] To return to the example of the Netherlands and West Germany. It has been ascertained that the poles of industry in these countries are moving. New industrial areas are being added and new products are being launched. That is particularly a phenomenon in our neighboring countries. Well then, the Belgian exporters are not playing a sufficient role in this.

Something urgently needs to be done about this: Supply and demand have to be brought into closer accord. Our office in Stuttgart has to receive more attention, specialized trade scouts have to be brought in. They will have to inform us very concretely of what the needs are in the Dutch and West Germany market. This is an experiment that we also want to repeat in other parts of the world. Up till now, the trade scouts primarily had the task of

commercializing Belgian products to the local industry. Now, we want to start fitting the agent a bit: to also look for existing needs in foreign countries and to report this to Belgian industry, which will have to orient itself in that direction. This is a matter of another profile to the job of trade scout, a change, true, that will require some time. In the first phase, we will be testing one thing or another in the West German and Dutch market; later, elsewhere as well. In the long run, it is above all the third world and middle-sized enterprises that will be reaping the benefits of this.

[Question] All this on the basis of the realization that in the past 10 years Belgian firms had to give up an increasingly greater portion of the market, on a world-wide level.

[Answer] We cannot, in fact, avoid this assessment. But everything is relative. Why has the Belgian share of world exports decreased? Simply because world trade has increased enormously. But good, if we wish to remain the world champion of exports, then Belgium will have to start concentrating on high-technology products, even though I do not like to use that term. People are thinking more and more of microchips or electronics. Aside from this, there are still enough high-quality products that can be commercialized. I'm thinking here as such sectors as agri-industry, biotechnology, and just go ahead and name them.

#### Misred Opportunities

[Question] Can Belgium fight its way up against countries like Japan and the United States, who are at home in all markets?

[Answer] In order to offer products of high technological quality, three elements are necessary. One: Money, and we do not have enough of that. Two: Intelligent workforces, and this we do have. By workforces I mean both the ordinary worker and the executive. Three: One needs outlet markets that can be tested, and for the time being we do not have enough of them. We urgently want to start doing something about the last, as already explained above. So, we will be encouraging the exporters as much as possible to start viewing markets like the Netherlands and West Germany as a part of their own, domestic market. It is vitally important that we cut a good figure on these markets, because from there we can build a bridgehead towards the rest of the world. And then, I'm convinced, we can even start competing with our larger industrial brothers. But do not forget: the life cycle of a product is becoming ever shorter in contemporary society. Our people will have to be very conscious of how vitally important it is to earmark a part of income for R&D. Here, given their new job description, the trade scouts will be able to help a good deal.

[Question] Take, for example, the Eureka project: Hasn't Belgian industry already hopelessly missed the boat?

[Answer] Admittedly, we are not in a comfortable position. Still, I hope that in time we will be able to participate in the Eureka project, albeit as a sub-contractor. But all of us, politicians and industrialists,

to plead guilty; Belgium has once again shown and offered itself tardily, or at least insufficiently. To that, since we're neutral, as was already mentioned, other times, we'll have to speak about neutrality. That's what's going to happen in the pie. At the same time, De Croo played that we will compete with the others in certain areas.

[Question] Was not 1985, from a commercial standpoint, an unsuccessful year? The year of missed export opportunities? I am thinking of Van Hool which still doesn't have the contract with Thailand in its pocket, of the Belgian construction sector that was supposed to help with rebuilding Lebanon, or the Kuala Lumpur subway for which still no order has arrived, and no foreign orders for the Belgian nuclear industry, even though this was promised, and so on.

[Answer] I would not call that a missed export opportunity, for the time being, we still haven't missed anything, but a number of contracts simply have not yet been settled. Your question does put the finger on another problem. A good number of Belgian industrialists want to count their chickens before they're hatched. By finalizing their contracts, they hope to get more support from the government. That is the wrong way of going about things. Don't forget either that it takes between 3 and 5 years before a military contract can be closed, that's the general rule throughout the world.

#### Carpets

[Question] Professor Palasthy paints a somber picture of the future, in which he says that the industrialized countries will find it harder and harder to survive against the rise of certain, so-called developing countries which also make quality products and at a lower price. So the center of world economy is gradually shifting to other areas.

[Answer] I am not one of the doomsayers. The end of the world has already been predicted so many times. Personally, I find the development of the Third World countries a good thing, for us as well. There is no cause for us to want to compete in certain fields. A totally concrete example: We no longer need to make handkerchiefs, many countries in the world can do that just as well as we can, and for a much lower price. But technologically advanced textiles--I'm thinking, for example, of carpets--that's something these countries cannot manufacture as well, here it's we who are better. So, it's much better for us to complement one another and divide the pie honestly. Then, everyone can take part in what's happening in the world economy.

[Question] State Secretary for Foreign Trade Etienne Knoops delivered a remarkable pronouncement. Concerning the division of authority between him and De Croo, he said: "No problem. De Croo will talk, and I will act." That seems like: De Croo can work through the fiscal side, the rest I'll do.

[Answer] A remarkable pronouncement indeed, and I really do not have much idea where Knoops got that from. I personally know Knoops very well, I've worked with him a lot, and that's always gone nicely. But just take it from me! De Croo can speak well, but he certainly will not limit himself to that. He is much too ambitious for that. De Croo will claim a first-class role and he will act.

[Question] The BDBH's new plan of action will put the emphasis on the KMOs. Now, it is well known that every export policy rises or falls with the tides of fortune. And in the recent past, this has more than once left something to be desired. Only a handful of businesses sign up for a trade mission to Berlin or to Marseilles. That is not encouraging.

[Answer] There are many explanations for this. For example, a number of different missions to Marseilles had already been organized earlier. Still, we must not fail to draw a number of conclusions. The BDBH has to take better care of the publicity surrounding missions of this sort, and also needs to approach things much more professionally on the organizational level. In the past, the preparation for such a mission has certainly left something to be desired, that can no longer be allowed to happen. The necessary instructions have been given to take care for the organization of such a trip.

[Question] In the plan of action for 1986, one reads that the "Made in Belgium" label will have to meet with a wide response. This even though the VEV [Flemish Economic Alliance] swears by "Made in Flanders." Isn't that all terribly confusing?

[Answer] It is already a success if people in other countries know where Belgium is. Belgium, that's usually "somewhere in Europe." I believe in giving one's own style to products: We may be able to win recognition with the quality of our products.

[Question] So you are declaring yourself an advocate of the Made in Belgium label.

[Answer] Why make life needlessly difficult? Made in Belgium enjoys some recognition, why not build further on this instead of starting again from zero. The day it is proven that promoting Flanders or Wallonia gets an active response abroad, I am ready to stand behind that as well. But so far this is being done only to flatter one's self-love. Look, Belgium itself was almost totally unknown in Tsukuba before the world exhibition. Our presence there did a lot of good. There was the Belgian pavilion, there was the arrival of the Belgian king and a Belgian prince, and the symbolic presentation of our country through the atomium. Now the Japanese know that Belgium exists and that it is an industrial country.

### Three Statute Books

[Question] Then you are also an advocate of a central BDBH, not a regionalized one?

[Answer] The first and most important duty of the BDBH is to document itself and to inform our exporters. Documentation and information, that is still for the most part composed of papers. If one were to decentralize that, as some want to do, then one would have to maintain three BDBHs, all three of which would unfortunately cost just as much to obtain the same result. Then, for example, there would not be one Belgian Statute Book, but three Belgian statute books would be needed.

Something entirely different is decentralizing on the level of providing service. That we have been doing since the sixties, and we will continue with it. We have coworkers throughout the entire country who visit the businesses on the spot and help where needed. Since 1 January, the local offices have been in direct contact with the BDBH's central computer.

[Question] Doesn't it strike fear into your heart to note that the dollar is still continuing to fall? A bad thing for Belgian exports.

[Answer] The intelligent exporters have always reckoned the dollar at 50 francs, a precautionary measure. Those that did this enjoyed a double advantage. They were able to rake in some extra profit for a time, and they are not experiencing any sharp drop now that the dollar is falling in value. But if the dollar were to continue to decline permanently, that would become a problem, for everyone, which is not to be underestimated.

[Question] What if the dollar continues to decline? What can the minister of Foreign Trade do then?

[Answer] Then we will have to unfold a plan on which we now are already working. I am thinking of quoting in other currencies, in ECUs, for example. The game now being played with the dollar is too dangerous to the world economy. Measures urgently need to be taken on a European level, and perhaps Belgium can take the initiative in this matter.

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ECONOMIC

FEDERAL REPUBLIC OF GERMANY

#### GROWING NUMBERS OF JOBLESS INELIGIBLE FOR BENEFITS

Frankfurt FRANKFURTER RUNDSCHAU in German 22 Jan 86 p 1

[Article by Jutta Roitsch: "Poverty and Unemployment Affect Young People and Women: Study Calls for Reassessment of Present Benefits Criteria/Number of 'Excluded' Increasing"]

[Text] The "new poverty," a controversial concept in political discussions, currently affects above all younger unemployed persons between 16 and 35 years of age, single women and persons living in one-person households, as well as unskilled blue and white collar workers, who are frequently threatened by unemployment and are caught up in a spiral of temporary jobs, low wages and limited coverage by unemployment compensation, according to recent data related to the labor market and social policy. In the most recent issue of "Information from the Labor Market and Occupational Research," the social scientist Christoph Buechtemann studied the "social security for unemployment and welfare needs." He based his findings especially on an evaluation of data and findings of a project group at the German Institute for Economic Research (DIW) in Berlin.

According to this evaluation of currently available data relating to the labor market and social policy, "it is still true that only a small portion of the total number of unemployed persons is still affected by acute poverty," writes Buechtemann. Nonetheless, he believes that the "process of gradual impoverishment," which is due to unemployment, has today reached such a dimension that "a rethinking of the presently valid benefits criteria in unemployment insurance appears urgently indicated." Even though those registered as unemployed (the data referred to figures from 1983 and 1984) are not affected by "acute" poverty, Buechtemann nonetheless observes that the gap between earned income and the "wage substitution" of the unemployed has widened. The income of wage earners, according to Buechtemann, increased between 1982 and 1984 on an average from DM 1,891 to DM 1,971, while the average unemployment compensation ["Arbeitslosengeld"] paid, sank because of legally imposed benefit cuts from DM 975 to DM 937, with unemployment relief ["Arbeitlosenhilfe"] stagnating at DM 800. According to Buechtemann's calculations, in 1984 approximately three-quarters of those registered as

unemployed received either unemployment compensation or unemployment relief, with the percentage of those who only receive unemployment relief doubling in two years, and now at the level of about 29 percent.

According to the study, there is a clear increase in the number of those who are unemployed, but who have no claim to unemployment insurance because they have not yet worked for a sufficiently long period, or because they are "not needy" as defined by unemployment legislation because, for example, they live in a family which includes a breadwinner. The number of those who are already "excluded," according to Buechtemann, rose from 8.8 percent in 1982 to 11.2 percent in 1984, while the number of those who are "ausgeteuert" (no need existing) has risen from 6.6 percent to 8.2 percent.

The "excluded," according to the study, include especially young people who are just beginning a career, and women who do not fulfill the legal requirements for a valid claim to unemployment benefits. Other "high risk" groups identified by the project group at the German Institute for Economic Research include unskilled and semi-skilled blue collar workers and single people, who according to law receive a lower benefit than do married people. According to the study, all of these groups encounter considerable difficulties in the labor market. Even after they have been able to find work, they are constantly threatened by unemployment. At the same time, these groups belong to the part of the population that is subject to the highest "risk of impoverishment." A comparison of figures points to the special risks to which young people under 25 years of age are subject. This group constitutes a total of 20 percent of those gainfully employed. Among the gainfully employed persons who in 1983 experienced unemployment, young people up to 25 years of age made up 33 percent of the total. In unemployment statistics they form 45 percent of the group that has no claim to benefits.

Just how many people from these "high risk groups" find their way to the welfare office and receive welfare payments can only be estimated at the present time, according to Buechtemann. Based on the data from the project group, he assumes that in 1983 the number of unemployed welfare recipients reached 300,000 to 320,000. He points out that at the same time, however, it is clear that "impoverishment due to unemployment frequently assumes more or less chronic characteristics for those affected. Once a person has 'sunk' to the level of welfare as a result of unemployment, he has, given the present situation in the labor market, only a slim chance of escaping the fatal circle of high labor market risks, long periods of unemployment, an inadequate safety net provided by unemployment insurance, and poverty," writes Buechtemann, who urges that "a minimum insurance for unemployed persons regardless of contributions paid into the system" be implemented.

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ECONOMIC

FEDERAL REPUBLIC OF GERMANY

STUDY SHOWS APPRENTICESHIPS DO NOT LEAD IMMEDIATELY TO JOBS

Frankfurt FRANKFURTER RUNDSCHAU in German 10 Feb 86 p 1

[Article by Jutta Roitsch: "Only One of Every Two Encounters No Problems in Beginning a Career: After Successful Completion of an Apprenticeship, Job-Hunting Is Increasingly Difficult"]

[Text] It is becoming increasingly difficult to take the first step into a career, not only for graduates who have successfully completed university studies, but also increasingly for the young male and female journeymen who have successfully completed an apprenticeship. According to the latest, just published 1986 report on occupational training of the Federal Ministry for Education and Science in Bonn, only one out of every two young people encounters no problems in entering a career after completing an apprenticeship. According to a survey of approximately 10,000 representative young adults, about whom information was given in facts and figures for the first time in the apprenticeship report ("The Course of Training and Transition to Employment in Various Occupations"), conducted by the Federal Institute for Occupational Training in Berlin, on average 50 percent of the young men and women had an unlimited employment contract in the occupation for which they had been prepared six months after the end of their apprenticeship. The study also showed that at the time when data was compiled (end of 1984 to the summer of 1985), almost one out of every ten was unemployed.

According to the study, the different occupational categories vary considerably in the difficulties they pose to newcomers. For example, over 70 percent of those trained as bank clerks were offered unlimited contracts in keeping with their educational background. By way of contrast, only about 30 percent of those trained in industrial and technical occupations, such as automobile mechanic and machine fitters, were offered an unlimited contract in the occupation for which they had trained. According to the occupational training researchers, transition to clerical positions posed fewer problems overall. On an average, in this branch approximately 60 percent of young people find work suitable to their background, according to the report. In the manufacturing sector, on the other hand, the figure is only 39 percent.

The varying chances in the labor market which have become evident because of this survey are also reflected in unemployment figures. For example, when the

survey was taken, only two percent of those surveyed who were trained as bank clerks were unemployed, while 18 percent of those trained in sales were still looking for work. According to the study, 17 percent of the auto mechanics were unemployed six months after completion of their vocational training.

According to the occupational training researchers, the figures indicate that young men and women attempt to deal with the problems of beginning a career in different ways. Almost one out of every four young men (19 percent) would like to improve his employability by means of continuing education and advanced training. The continuing education figures are especially high for salesmen, electrical fitters and machine fitters. In comparison, only seven percent of the young women would opt in favor of a different kind of training or advanced training. The researchers point to family reasons as one cause of this reluctance on the part of the women.

Another "reaction to difficulties in finding employment" can be seen with regard to military or alternative national service, the report says. Young men who have not found work try instead to fulfill their military service obligation as soon as possible. Many believe that this will improve their job chances. At the time of the survey, 14 percent of the young men were already members of the military or were engaged in national service.

The study reported that a total of 12 percent of those surveyed had an unlimited employment contract in a different occupation than the one for which they had been prepared. Those working in an occupation for which they had not been trained were above all those trained as machine fitters (24 percent), but also salespeople and clerical workers (with the exception of bank clerks). At the time of the survey, only a total of five percent of the young men and women had a temporary contract in the employment category for which they had trained. However in this regard experts point out that the Law for the Promotion of Full Employment, which makes it easier to conclude contracts for a limited time period, only went into effect in early summer 1985. Nonetheless, the young male and female journeymen were asked about their opinions regarding new forms of hiring for positions upon completion of their apprenticeship. The Berlin occupational training researchers asked them to select from among four different models: hiring for a limited time period in a position for which they had trained, unlimited appointment as a "floater," unlimited appointment with a part-time contract (24 - 32 hours per week) or unlimited appointment for half a position in connection with specific advanced training programs. The model that is hardly known in actual practice surprised the researchers with the amount of support it received. Forty-four percent of those surveyed favored the combination of a part-time job with special advanced training. Only one out of every five rejected this model. According to the survey, a purely part-time model received little approval. More than one-third rejected this type of hiring, preferring a temporary position in their chosen field or a post as "floater."

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ECONOMIC

ITALY

PESSIMISTIC CENSIS REPORT ON SOCIAL SITUATION

Government Spending Needs Reforming

Rome LA REPUBBLICA in Italian 7 Dec 85 p 1

[Article: "Family Businesses No Longer Suffice: Italy Needs a Healthy National Economy"; first paragraph is LA REPUBBLICA introduction]

[Text] Rome--The great vitality of businesses and families no longer suffices to solve the great problems facing Italian society. Only by reforming the national government, controlling government spending and privatizing some government corporations can Italy hope to progress. Such is the conclusion of the 19th CENSIS [Social Investment Study Center] report on the country's social situation. For the first time, the report expresses some pessimism. Families are facing new and growing needs, mainly for land. However, housing needs are declining: 62 percent of all families own their own homes. The use of medical services remains high.

Family Business Situation

Rome LA REPUBBLICA in Italian 7 Dec 85 p 8

[Article by Marco Ruffolo: "Italy: a Vital Society Adrift"]

[Text] Rome--The spontaneous vitality flowing from businesses and families no longer suffices to guarantee progress in this country. The great problems of the moment have become so complex that they cannot be solved through individual effort alone; radical political and institutional reform is needed. The 19th CENSIS report cites new challenges presented by the country's social situation: streamlining government, controlling government spending, privatizing some government businesses, and strengthening national security.

There seems to be almost a kind of Copernican revolution taking place in the small universe of the Social Investment Study Center. It has always faithfully nurtured the spirit of private initiative (its self-starting capacity makes up for institutional apathy). The men at De Rita are catching at least some of the same pessimism that they had been combating.

When President Gino Martinoli submitted the report yesterday he explained, "This doesn't mean that the 'little people' (families and small businesses) have lost their influence. Actually, their role is growing and spreading to all the nerve centers of the country. The middle-sized institutions (unions, parties, regions, local governments and private organizations) are the ones that are no longer making themselves felt."

Take small business, for example. In recent years it has demonstrated a capacity for restructuring and innovation, plunging into areas where the possibilities are greatest for making profits and acquiring power, i.e. in marketing. But it has also shown that it can free itself from union control. The companies that have significantly increased their assets account for about half of those interviewed. Some 78 percent have introduced more than one type of innovation. While 20.6 percent of the companies with as many as 250 employees plan to widen their marketing in the next 3 years, 68 percent are already using their own sales outlets.

Obviously, business is realizing that widespread distribution has become industry's financial lifeblood, with higher sales-profit and sales-commercial credit ratios.

Business is becoming increasingly sophisticated in its choices of strategies. It is tending to invade other fields such as tourism, banking, commerce and international trade. As far as the latter is concerned, there has been an explosion of Italian investment abroad (up 442.6 percent between 1980 and 1984); it has reached 3.5 trillion lire in value, as opposed to 2.267 trillion lire invested in Italy by foreign companies.

But the country's spontaneous dynamism does not stop there. Another great force in national growth is galloping alongside of business: the family. A single fact explains the growth of its influence: the prolonged presence of adult children living at home. In three very different cities (Padua, Bari and Matera), 31 percent of the people between 25 and 34 still live with their parents. The proportion rises to 54 percent among Italian high-school graduates. In short, the family is "extending," and the father tends to do new and more things to create opportunities for his children. Here, too, as with business, options are being diversified and defined. In consumption and savings, in individual security and social services, families are becoming more demanding. In health care there is a surprising increase in visits to private specialists. In education, the standard school curriculum is being more and more closely integrated with private cultural initiatives.

In sum, both business and families are continuing to make themselves felt and, with their dynamism, make it clear that the national government is insufficient, that it is "bloated and overstaffed (with time-servers, teachers, forest rangers and idle railway lines)." But this force and dynamism are helpless in the face of increasingly complex problems and procedures and limited strategies. All this requires a capacity for mediation that unions, parties and government agencies are no longer in a position to provide, especially because policy is tending to remove itself from society and become an end in itself. This, then, is the danger we face: on one hand, civilian society is very dynamic but fragmented and rudderless; on the other hand, political society is isolated and self-validating, a kind of elite "nomenklatura" subculture.

Role, Productivity of Schools Reassessed

Rome LA REPUBBLICA in Italian 7 Dec 85 p 8

[Article by Vanna Barenghi: "Schools are Full of Hazards but are More Crowded"]

[Text] Rome--The year 1968 has come back into style, and, naturally, the 19th CENSIS report deals with it.

A reference to the now-mythical movement begins the chapter that the report dedicates every year to schools, universities and the education of young people in general. In a few lines CENSIS outlines the differences that--according to its analysis--exist between the students of 17 years ago and those of today. "The protest of 1968 did begin in the schools, but it had a more general motivation: primarily it was a rejection of authoritarianism and a generational conflict that pitted young people against teachers and families. The schools eventually lost their identity because they were seen as being a byproduct of a more complex system."

The movement of 1985, according to CENSIS, wants "to strengthen the identity of the schools; they are not being asked to become agents promoting social change but to do their primary job 'well,' that is, to teach." Thus it is that students, families and teachers are now on the same side.

A "new course" is being followed, then, according to CENSIS, in the relationship between schools and society: a society that asks schools to provide more instruction, more preparation, more critical thinking. All the more because, according to CENSIS data, the number of high school students increased by as much as 5 percent between 1981 and 1985 (after a relative "plateau" in the 1970's).

Another sign of this "new course" is shown in the reversal of the enrollment trends in public and private schools: public school enrollments are increasing, while private school enrollments are decreasing, although slightly. Despite all the shortcomings and inadequacies of public schools, they and the quality of the education they provide are the focus of society's expectations.

In the public schools, alongside the "negative" trends that are being scrutinized by the public, there are others of various kinds that are not visible and remain "submerged." "There is greater vitality in the educational system," says CENSIS, "and it is not always visible to the outside." This vitality consists in a tendency toward innovation, experimentation and change in teaching; in short, to review what is to be taught and how it is to be taught. This is one of the students' most important demands, but it is almost always met with individual initiatives by teachers of "good will" without any kind of institutional sanction.

Thus, while there is vitality on one hand there is, on the other, immobility and structural and qualitative decline in many other areas not adequately supported by innovation either at the local level or at higher levels" (which is lacking almost everywhere).

Although more students are attending school, this does not mean that our society is one in which "everybody graduates" and especially not with a college-entrance diploma. The so-called "system productivity" is in fact very low; while very high numbers of students enroll in high school, there are very many "dropouts." Every year 53 students out of 100 leave high school without graduating, and most of them drop out in the first 2 years. "Out of 985,000 students leaving high school, 525,000 interrupted their education rather than finish it." This does not include the large number of children who drop out before entering high school (about 130,000 a year).

High-school graduates are the most disadvantaged of those seeking work. They number about two and a half times those who enter the job market every year. On the average, more than 7 of every 10 job-seekers are young people. The most favored are those who have a college-entrance diploma, but there are not many of those, only 32 out of 100.

#### CENSIS Report Style Satirized

Rome LA REPUBBLICA in Italian 7 Dec 85 p 8

[Article by Massimo Bucchi: "The 'Gene of the Task'"]

[Text] It has finally come out. With trembling hands, semiologists, literati and business groups have been paging through the jargon they will be using for the next 12 months. The entire "CENSIS '85 Report" seems to have been written by post-Dada ultramodernists and visiting stragglers from "Group '63."

Nothing could be more "underground." Goodbye "deregulation." The expression "upstream" is disqualified and obsolete. This is intense, pregnant, exhaustive poetry in clever, finely-woven didactic clothing. It is the (hard,) "overshoe" of reportorial literature.

In the poemlet "Vitality" are such verses as "the growing strength of simple subjects," which is a striking metaphor of individualism. The crisis is being met by the "extended family" (which is apparently not stretched out in the same way as T.S. Eliot's "patient etherized upon a table") saturated with ponderous "subsystemic logic" and "requisitorial objectives."

It is a pity that this report is presented as a collective effort. Among all these Hellenic rhapsodies we will never know who is responsible for the "obscure sensation (Distance of the State," see verse 32) that government is the vacuum that needs to be capable of never occupying." And to whom shall we attribute the "usury of living dialectically"?

This art longs breathlessly for the "strategy of seeking a window on the new." Are there adult children? No, they are "permanent in the family." Is there welfare? It is better to avoid the glint of gold; they are "subjects in expectation of provision" ("willfully bloodlet by some supernumerarity," ("Self-Provisioning," verses 16-19)). Perhaps with appropriate bootstraps they can avoid the "downward slide to disquiet and fear."

At least the report does not underrate the future profession of women: they are the "sense providers."

#### Housing Market Realignment Permanent

Rome LA REPUBBLICA in Italian p 9

[Article by Felice Saulino: "The 'Black' Market Booms and Construction Ends"]

[Text] Some 62 percent of families own their own homes. Yet the real estate market is still in a slump.

Rome--The real estate market is in a slump: Italy has "tile sick...ss." Using the same words that have been in its report for almost 20 years, CENSIS has given a lot of space this time, too, to the problems of housing. But it has done so more ambitiously than usual. The analysis of this report have not limited themselves to the market in a strict sense, the classic triangle "rent, eviction, sale." They have concentrated especially on analysis of the new needs that rise imperiously from the "social body": transportation, structures, services, environment. And they have given it a new title, "Land and Networks" rather than the traditional Residential Construction."

The basic theme is as follows: most Italian families are no longer house-hungry. Some 62 percent already own their own homes, and the number of homeowners practically exhausts the possible demand. There is still investment, but investing in real estate is no longer practicable because it yields 50 to 100 percent less than a financial investment in government bonds or mutual funds. As a result, the real-estate market has become a "buyers' market." Some 70 percent of the demand is made up of families who already own an apartment and who want to buy a better one--under the right conditions.

The drop in sales is thus considered irreversible. The figures give ample evidence of this. The latest CENSIS data goes back to last June: 32,000 apartments sold. Some 66,000 were sold in the same month in 1984.

Evictions: The problem afflicts mainly large cities (70 percent of the total). The rate of evictions has not risen sharply: from 1983 to date there have been about 20,000 a year. This data seems to contradict the problem's being emphasized on the basis of eviction requests. But according to CENSIS the vast majority of eviction requests are solved

Italian style, by means of a "system of self-regulation," that is, a landlord-tenant agreement on an even swap. On the other hand, the "black market" is creating a real parallel market alongside that of legal renting. In 1984, about 600,000 apartments were rented, at the rate of 50,000 a month. In the first 6 months of 1985, the average remained unchanged.

**Public investment:** The role of the "bricklayer government" gets a negative assessment. Investments have been made blindly ("ripple effect") and the ambitions of the 10-year plan (1 million lodgings by 1987) have been recast. Hardly half of these will be built. The total will probably come to 450,000.

At this point, the analysts of the 19th report confront the argument of transformation. It is said that the government will have to pay 250 trillion lire for repairs and urbanization, but word is that "recovering" extralegal housing could offer the opportunity to launch the changes being requested by the emerging part of the "social body" and which will soon be imposed by time. Especially telematics, i.e. large computer data networks on telephone cable from point to point throughout Italy. It is a revolution that will inevitably force urbanists to redesign cities to meet the new needs. It will also call into question the idea of the city itself, as has happened in the age of communes in recent years.

#### Never Have Sales and Rentals Dropped So Much

Trend of sales and rentals from the 2nd quarter of 1984 to the 2nd quarter of 1985.

<u>quarter</u>	<u>lodgings sold</u>	<u>Lodgings rented</u>
2nd 1984	177,570	141,992
3rd 1984	100,740	143,752
4th 1984	91,431	170,243
1st 1985	104,195	148,990
2nd 1985	89,439	137,175

#### Health Care, Infant Mortality, the Elderly

Rome LA REPUBBLICA in Italian 7 Dec 85 p 9

[Article by Daniele Mastrogiacomo: "Health Expenditures All in One Pill"]

[Text] Rome--Italians are distrustful and deeply critical of social welfare and spend little on it. Data from the report show that this country is still in last place in contributions to this sector, a few points behind England and Ireland. These expenditures vary widely by category: old-age pensions are privileged, while unemployment compensation, health and family allocations are not. In 1977 the average worth of pensions was 56.5 of average per-capita income; in 1984 it had risen to 76.6 percent.

Why? CENSIS interprets other data, especially that relative to the health sector. The data shows that the relationship between citizens and doctors has changed. Many people (40 percent) rely on public health care only for advice and second opinions. But they still spend money on medicine. Lots of money. In 1983, the average Italian shelled out 125,614 lire as opposed to 105,285 in 1982 to buy medicine. The report says "pharmaceutical expenditures can be contained only if the categories of people involved have the courage to take responsibility for shaping up the industry and being stricter in allowing new drugs on the market."

Hospitalization remains the largest item in overall health-care expenditures. In 1983 it absorbed more than 58 percent of the 31.5 trillion lire spent. Within this category, public hospital assistance exceeded 15 trillion lire (47.8 percent). The cost of conventional assistance, which took 10.3 percent of expenditures in the 4-year period 1978-83, was triple that of the previous period.

Italy is first in infant mortality. Although the data stops at 1982, they show 7.6 stillbirths for every 1,000 inhabitants. Even more noticeable is the mortality rate in the first year of life: 12.9 per thousand. The mortality rate for large groups in 1982-83 rose 6.9 percent over that of the previous 2-year period. The major increases are due to respiratory illnesses (19 percent) and those of the circulatory system (8.2 percent). The report also confirms a constant growth in cancer: 85,625 deaths or 15 for every 10,000 people.

Infant mortality and zero population growth prompt these forecasts: we are heading for a situation of difficulty of old people. In 1961, the CENSIS report states, 36 of every 100 people were over 60; in 1981, this proportion rose to 80 out of 100. By 1991 the forecast is that 20.3 percent of the population will be over 60 and that there will be 117 retirees to every 200 youth and 32 people over 60 for every 200 people of working age.

#### Union Influence Seen Receding

Rome LA REPUBBLICA in Italian 7 Dec 85 p 9

[Article by Marco Ruffolo: "The Unions are in Crisis; They 'Aren't Ready for the Future'"]

[Text] Rome--The CENSIS report abundantly documents the crisis that presently besets Italian unions. At the company level, industrial relations often do without mediation and representation and turn into a kind of "personal exchange" between management and personnel. This becomes tangible when one examines the behavior of a sample of medium-large businesses polled by CENSIS. Some 74.5 percent of the companies polled decide on their own when new technology is to be introduced, while only 3.4 percent formally decide the issue under a union contract. Some 40.2 percent of businesses decide without consulting anybody when they decentralize or take business abroad, while only 2.4 percent

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consult union representatives. In short, the report concludes, union representation is excluded from any possibility of influencing innovation, which is decisive in the future of business. And that is not all. In job evaluation and internal mobility respectively, 60 and 51 percent of businesses have regained almost complete sovereignty. But what is most surprising is that in only 5.2 percent of the cases do the unions intervene in firings.

#### Jobs Becoming Hereditary

Rome LA REPUBBLICA in Italian 7 Dec 85 p 9

[Article by Marco Ruffolo: "Sons are Choosing to Work with Their Fathers"]

[Text] Rome--Employment is now beginning to be transmitted from father to son. This is the surprising conclusion of the CENSIS report in the part devoted to families. This form of "inheritance" is more and more becoming a part of union contract negotiations. Here, for example, are the criteria for establishing priority in taking workers' children into public corporations.

- (1) Hiring of a child of an employee deceased in the line of duty.
- (2) Priority to children of employees who are deceased, retired, on disability, and children of former employees.
- (3) Priority, all else being equal, to children of employees who are deceased or laid off for lack of work and to children of employees.
- (4) Priority, all else being equal, to children of employees deceased or disabled on duty. Priority, all else being equal, to orphans, widows, widowed or unmarried sisters of employees deceased or disabled on duty.
- (5) One-fifth of all jobs reserved to children of employees or former employees.

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## AGNELLI ALIGNS LAY, CATHOLIC FINANCE CIRCLES

History of Alignment, Legality Questioned

Rome L'ESPRESSO in Italian 29 Dec 85 pp 6-11

[Article by Salvatore Gatti: "Their Will Be Done"]

[Text] How has the holy alliance between Agnelli and Catholic financing grown up around Gemina? And why? Control of Rizzoli and CORRIERE DELLA SERA is also at stake.

As is well known, Gianni Agnelli likes dramatic flourishes. His latest move is a feat of political and financial acrobatics that has left everyone dumbfounded. Agnelli, the great champion of Italian lay financing, has forged an ironclad alliance with the rising stars of Catholic financing, friends of the curias of Milan and Brescia. In one lightning stroke, the attorney made three crucial decisions: first he left Enrico Cuccia's lay Mediobanca (which had always handled his business); then he decided to switch to Gemina; finally he brought in Giampiero Pesenti, Giovanni Arvedi and the Mittel company (ruled by the new leader of Catholic financing, Giovanni Bazoli). The latter two signed over to "his" Gemina an absolute majority of stock in the Rizzoli publishing company, which controls CORRIERE DELLA SERA, the largest Italian daily. This was the feat of acrobatics on the part of Agnelli and Bazoli (who is also president of the New Ambrosiano Bank) that dumbfounded both lay people and Catholics; it was an original, unpredictable act that redrew the map of Italian financial, political and editorial power. It was political because, in order to beat Bettino Craxi, DC [Christian Democratic] Secretary Ciriaco De Mita chose Agnelli as an ally, and Agnelli had no problems in subscribing to the alliance. It was an editorial act, because, at the present time, the heart of the operation is CORRIERE DELLA SERA. And although the winners in this deal were Agnelli (with his proconsul Romiti) and Bazoli, there were also losers: Mario Schimberni, the socialist-leaning president of Montedison, who until a few days ago controlled both Rizzoli and Fiat; and Bettino Craxi, who has been trying unsuccessfully for years to have CORRIERE DELLA SERA taken over by his friends and allies. Now Craxi has seen the newspaper taken right from under his nose, perhaps forever. In "his" Milan there are only Montedison and Berlusconi left; goodbye CORRIERE!

How did this reversal take place? And why? What has changed for Fiat? And now that Catholic financing is emerging from the dishonorable ghetto to which it had been consigned by the raids of Michele Sindona and Roberto Calvi, what is going to happen to it? And what does this holly alliance have in store for the future?

It has not been easy for either Bazoli or Fiat to make this deal. Even though it was looked upon favorably by the largest sponsor in Catholic banking, Nino Andreatta, by his friend Mino Martinazzoli and the Lombardy DC grassroots leader Giuseppe Guzzetti, Bazoli's move has not convinced everybody in the DC. Thus, the DC secretary was afraid that the young man of Catholic finance might have sold his position in Bizzoli and *CORRIERE DELLA SERA* a little too quickly by giving Gemina (controlled from Turin) an absolute majority in the Milan publishing house.

Thus, to defend it, his friends have made it known that there is a controlling syndicate within which Bazoli will continue to exert some influence; and, too, as long as the alliance remains, Fiat will certainly not be able to infringe upon the interests of its fellow traveler. Catholic finance also needed this point of entry into society to sanction the end of its long march of restoration: it has built itself up again on the rubble of P2 and the dangerous friendship of Monsignor Marcinkus, the American prelate that John-Paul II is in the process of removing from the levers of power (as can be read in the following article).

All told, it was easy for Fiat to decide to bank on Catholic financing in Brescia and Milan. Times have not been very good recently for the Agnelli's industrial and financial empire. The deal of the century with Ford fell through. They lost control of their Milanese vassal Mario Schimberni, and they also lost the long struggle to acquire Mediobanca for their private holdings.

Lay financing, with all its sanctuaries, had become fragmented, and the defeats had hurt. It was essential to find new allies and start salvage procedures quickly. But what allies? Certainly not "enemies" like Carlo De Benedetti or Schimberni but rather old friends, the Orlando's and Pirellis, who were not as strong as they had been. The only thing left to do was cement the new ties, which had already been cautiously explored in the previous 2 years. Thus emerged the recent opportunity for Catholic financing after a decade of retreat.

In the second half of the 1970's, the Italian banking world was still dominated (in addition to the lay bankers Cuccia, Cingano and Rondelli) by such people as Roberto Calvi, at the Ambrosiano Bank; Alessandro Alessandrini, at the Bank of Rome; and Giovanni Cresti, at the Monte dei Paschi, in Siena. All these names were later found on the list of Licio Gelli's P2 Lodge. Also moving onto the Catholic finance scene was Carlo Pesenti with his many banks (the Ibi, the Lombardy Provincial, and the Commercial Credit) and the many debts of his industrial empire.

The Bank of Italy--first with Paolo Baffi and Mario Sarcinelli, then with Carlo Azeglio Ciampi and Lamberto Dini--opposed this financial setup because it was corrupt. In a few years, all these people disappeared or were replaced. Carlo Pesenti was replaced by Giampiero junior, a man about whom the Bank of Italy said a lot of good things and who was by no accident one of the new "guests" invited by Agnelli into Gemina's "home." After Roberto Calvi died, Bazoli came and reestablished the Ambrosiano. In recent years there has been the great offensive by De Mita and his friends in Italian banking. In Siena, Cresti was replaced by Piero Barucci; Alessandrini was replaced at the Bank of Rome in 1983 by one of Romano Prodi's men. Prof. Gianni Zandano came to the San Paolo, in Turin, a bank that had been close to lay financiers. Piero Schlesinger emerged in Milan. But none of them was the new man, the one who was to gain leadership over the others.

That man was Bazoli, at the New Ambrosiano Bank. A few years earlier he had saved the bank from the crash. Then he tripled deposits. He also defended the bank against the assaults of lay banker Luigi Arcuti who, from the IMI [Italian Credit Institute] where he was president, worked at dismembering the Ambrosiano, and acquiring the choicest morsels. Then, protected by the National Bank of Labor, Bazoli also repulsed the assaults of the San Paolo bank and acquired the powerful Catholic Bank of Venice, which Zandano wanted to take. Bazoli thus showed himself to be a man of action. He had the right friends, including Andreatta and Martinazzoli, all in the area of the new DC; he was very friendly with the church in both Brescia and Milan, which was headed by Cardinal Carlo Maria Martini, and he became the cardinal's banker. He was an attractive personality, more ideological than political, and he became the number one figure in new Catholic financing.

It was therefore no accident that Agnelli, a lawyer, wanted to set up an alliance with him. Among other things, he would play a dual role: that of president of the New Ambrosiano and manager of Mittel, the Milan financial company controlled by the Brescians. This decision of Agnelli's was facilitated by his good contacts: it was not forgotten in Turin that Bazoli had chosen to give to them rather than to other buyers the powerful Toro insurance company, the 8th largest in Italy. Nor was it forgotten, obviously, that the Catholic financier (at the behest of the Bank of Italy, which in 1984 asked the banks to give up Rizzoli) succeeded in neatly steering the publishing house into their hands rather than let it be taken over by Vittorio Uckmar's combine or by Carlo De Benedetti, or by the sinister group of Craxi's friends, who were headed by stylist Nicola Trussardi.

However, this solution had one unappealing facet: Fiat governed Rizzoli jointly with Montedison. It was an awkward arrangement that has been eliminated in the financial operation recently undertaken by Agnelli and Bazoli. It will put CORRIERE DELLA SERA entirely into the hands of Gemina, and Cesare Romiti will come to Milan as president of the finance group. But what price will Fiat have to pay to the Catholic front for this operation? A lot of people are asking that question. An initial answer may have come from an interview with Giovanni Bazoli himself, when he was the new traveling companion of Agnelli and Romiti in more halcyon days

(LA REPUBBLICA 1982): "CORRIERE DELLA SERA must remain a great lay newspaper," he conceded. "We Catholics may, however, ask that it adopt an editorial policy respectful of our values." It remains to be seen whether he will show the same fighting spirit as he did in his years at the Ambrosiano, but there can be no doubt that the young leader of Catholic financing will earn respect within the CORRIERE DELLA SERA. Then the holy alliance with Fiat will prove to be very interesting indeed.

#### In Press

Is the Gemina-Rizzoli deal illegal? Does it violate the antitrust laws governing the publishing business? These questions again began to circulate in parliament and in the political party offices when, on Thursday 12 December, both the majority stockholders' participating share and the assets controlled by Rizzoli were redefined.

These two operations were set in motion after Gemina left Montedison and was subsequently divorced from lay financing, which is headed by the Agnelli's on one hand and by socialist sympathizers led by Mario Schimberni, on the other.

The question is the same as was being asked a year ago, when Fiat and Montedison were still linked through Gemina. Fiat and Montedison jointly gave aid to steel industrialist Giovanni Arvedi and the Brescian Catholics' Mittel finance company, to the "team" that took control of the largest and hitherto most controversial Italian publishing house, which owned the dailies CORRIERE DELLA SERA, GAZZETTA DELLO SPORT, CORRIERE MEDICO and the weeklies L'EUROPEO, IL MONDO, OGGI, NOVELLA 2000, and BELLA, which are all first-rank publications.

The first to light the fuse was Franco Bassanini, an independent leftist deputy and constitutional expert. "As far as I'm concerned," he says, "nothing has changed. The Gemina-Rizzoli deal was illegal then and is illegal now. The only new thing about it is that the Turin group's control of Rizzoli is clearer now."

For this reason, Bassanini does not intend to yield an inch in the legal action he is bringing against Fiat and Montedison. In this case he is working with other new leftist members of parliament, including Antonio Bernardi and Giuseppe Vacca (Communist) and Andrea Barbato and Vincenzo Visco (independent leftists). They are asking the court to "nullify" the deal that allowed the "team" formed in October 1984 to pick up Rizzoli. "The decision will be handed down in a session in February," says Bassanini. "Then we'll see who is right."

The unusual case brought by Bassanini is based on a section of the law on publishing. It says that no group may control more than 20 percent of Italian daily circulation. If a group acquires control of other periodicals and thereby exceeds the 20 percent limit, the deal is null and void. The law specifies that nullification is pronounced by the court on appeal by the general counsel for publishing or by any citizen.

In judging the situation, according to the law on publishing, not only must the circulation of all the newspapers published by the group in question be counted but also that of all those published by affiliated companies (and these include the companies in which the group owns at least 10 percent of the capital).

On this basis, Bassanini has calculated that Fiat and Montedison, when they were allied, constituted an outright trust. Adding up the circulation controlled by Fiat through LA STAMPA and STAMPA SERA (7.6 percent of the national total), the circulation under direct or managerial control of Gemina through CORRIERE DELLA SERA, GAZZETTO DELLO SPORT, MATTINO and CORRIERE MEDICO (20.47 percent), and the circulation attributable to Montedison through IL MESSAGERO (4.25 percent), the result is that the "team" controls 32.32 percent of the national total.

But the situation has changed since the beginning of the year. In addition to the Fiat-Montedison divorce, Gemina has sold MATTINO to Stefano Romanazzi.

It can no longer be said, then, that one group controls 32 percent of daily publishing in Italy.

But Bassanini objects: "If we add LA STAMPA and STAMPA SERA to the dailies owned by Rizzoli, we get 26 percent of the circulation of Italian dailies. Also, if we add in CORRIERE DELLA SERA, GAZZETTO DELLO SPORT, and STAMPA, it turns out that the three dailies exceed 50 percent of the circulation in the three regions of the Po valley, a geographical area in which the publishing law says that the limit shall not be exceeded by a single group."

#### Marcinkus' Role in Vatican Finances Examined

Rome L'ESPRESSO in Italian 29 Dec 85 pp 9, 11

[Article by Sandro Magister: "And Marcinkus Packs His Bags"]

[Text] The 15 cardinals charged with investigating the IOR and its ties to Calvi's Ambrosiano are agreed: the Vatican bank must be cleaned up and restructured.

The new technocrats of Catholic finance are in; the old ones are out. The fate of Paul Casimir Marcinkus, the highest of the old guard, is sealed. Originally a career diplomat, he is about to reenter the diplomatic field, probably as nuncio to London.

The decision was signed and sealed on 20 November at the end of the last, sixth summit meeting of the "council" of 15 cardinals appointed by the pope 4 years ago to reform the finances of the Holy See. Among them were Joseph Hoeffner, of Germany, and John Krol and John O'Connor, of the United States. At the end of the meeting, the commission agreed not only to replace Marcinkus and his closest managers but also to redefine the general role of the IOR.

However, the discussion was not devoid of argument. The IOR directive again set out its line of defense to the commission of cardinals. This defense touched a lot of bases: the renewed trust of depositors, many of whom are religious orders; growing deposits, which now amount to about \$4 billion, the amount held by the average Italian bank; the support given to the Vatican budget up to 1981, before the difficulties associated with the Ambrosiano crash; and the competence of the management, which was able to defend the IOR from such "incidents" as the 1974 bankruptcy of Michele Sindona.

On that occasion, the IOR was able to keep losses to a minimum. Sindona's Union Bank held 24 percent of shares but managed to sell most of them before the crash, losing only 5 percent of its holdings. The IOR also succeeded in recovering \$46 million from the "cordon sanitaire" set up by the Bank of Italy around Sindona's finances, money that had been deposited in Finabank. It was an enormous sum, equal to the Catholic church's entire worldwide collection in 1974 for missionary work.

The IOR's cozy relationship with Roberto Calvi's Ambrosiano bank was not so fortunate. The Vatican finally had to repay creditor banks \$240.9 million, a gigantic sum equal to AT&T's expenditures for that year for the purchase of a quarter share in Olivetti. But Marcinkus insists on emphasizing that this was purely "voluntary" compensation to cover damages caused by Calvi's "abusing the trust" of the Vatican bank, which knew nothing of his "secret plan." It should also be noted that the payment did not touch IOR deposits. The banks indemnified are said to have simply transformed the credits into long-term loans, which the IOR is now paying off year by year with its own management fees.

But Marcinkus' story is quite different from the results of the official report on the IOR-Ambrosiano accounts, which was submitted in 1983 by six inspectors appointed by the national government and the Holy See. By a strange coincidence, the 45 pages of the inquest's final report were brought out from under the cover of secrecy by the vigilance of the commission of 15 cardinals. A Neapolitan cultural journal, *IL TETTO*, published the report in its entirety.

Although the six commissioners were divided over how to assess the blame to IOR in the Ambrosiano crash, they unanimously denounced in their report Marcinkus' and his colleagues' systematic boycott of their investigation, their refusal to answer questions, and their resistance to making documents available.

But there was more. The highest Vatican officials criticized Marcinkus for boycotting an impartial "quest for truth" and even misusing the press for his own purposes. This, they say, happened in 1982, when *IL TEMPO* published the five points of a defense that had been prepared by the IOR legal staff and should have remained confidential.

An especially important incident occurred on 14 December, when *IL MESSAGGERO* published for the first time the written defense prepared 2 years earlier by Monsignor Marcinkus for the six Italian and Vatican inspectors and presented it as being much "more plausible" and "convincing" than the results of the official investigation.

The high officials of the Holy See saw this last move as a disloyal reopening of a case that was to be considered closed with the inspectors' report and the "voluntary" payment of \$240.9 million.

The result is that the pope has decided that Marcinkus' transfer to other duties cannot be delayed any longer. Marcinkus' whole "team" has to leave the IOR with him: Luigi Mennini, Pellegrino de Stroebel, and Donato De Bonis. The new directorate scheduled to replace them has been under study for some time. The presidency is said to be going to a cleric trusted by the secretary of State, Cardinal Casaroli: e.g. Giovanni Cheli, who presently holds the position of permanent observer at the United Nations. The others will be financial technicians and not necessarily Italians. One of them will probably be chosen from among the members of the Opus Dei.

However, it will not be easy to think up an acceptable promotion for Marcinkus. The pope insists that the promotion be prestigious although not of cardinal rank. Karol Wojtyla cannot forget the merits earned by his semi-compatriot (Marcinkus is from a Lithuanian family) in funneling substantial aid through most unheard-of channels in Rome and Switzerland to Christendom in Poland and other countries in the East.

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